The China Weekly REVIEW

密勒氏評論報

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SATURDAY, NOVEMBER 19, 1932 VOLUME 62, NUMBER 12

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J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER, Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

CONTRIBUTING EDITORS

C. Y. W. MENG — DANIEL J. LEE
S. C. YANG (Harbin) — CHANG YA-CHUEN
MARK M. LU (Honan) — FLORENCE WONG (London)

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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

JAPAN'S FINANCIAL POSITION BECOMES INCREASINGLY SHAKY

UNDOUBTEDLY the most significant piece of news during the week in connection with the shaky financial condition of the Japanese Empire was the fact that an important British financial daily newspaper, the *Financial Times*, in its issue of November 11, strongly advised British investors to exchange their Japanese holdings for other holdings which, "although they are likewise depreciated have a much better outlook." The *Financial Times* included the Chinese five-percent loan of 1913 among the securities which they recommended holders of Japanese securities to exchange for. The *Financial Times* expressed the opinion that the "almost unbearable strain of militarism" would make difficult the future payments by the Japanese Government of interest in London and New York. Some idea of the stupendous load that Japan is carrying may be gained from an announcement made by the Japanese Ministry of Finance in Tokyo Nov. 13 that the national debt of the country as of October 31 was Yen 6,311,080,000. Of this total, Yen 4,912,783,000 represents domestic loans, the balance of Yen 1,398,297,000 being foreign loans. The Yen dropped to another all time low, on November 9, of 20-3/8, that is one yen would buy only 20-3/8 cents as against the normal 49-1/2 cents of American money. As is the case always during the period of a sinking currency a fillip has been given to various Japanese enterprises and businesses, notably among them, the shipping business. Rates of freight when quoted in yen work out 60 per cent lower than those quoted in gold, and as a result there has been a large increase in the proportion of Japanese ships carrying produce from Manchurian ports to foreign countries, just at this time when the Manchurian export season is at its height. There has also been a spurt in various lines of export trade from Japan, but in all cases it is to be borne in mind that in reality the business is being done without profit or at a loss, the apparent briskness being of the same character as when a patient has a fever—the bloom on the cheek being not a sign of health but a sign of degeneration in the system. The statistics of trade published by the Japanese Department of Finance on November 10 showed the following figures for the ten-day period: Exports, Yen 46,994,000; imports, Yen 34,465,-

000; excess of exports, Yen 12,349,000. Raw silk and cotton piece goods were the principal articles exported.

In the meantime the Japanese Cabinet is still wrangling with the important question of fixing the budget. Finance Minister Takahashi has so far held his ground against the insistent demands of the War and Navy Ministries, particularly the former.

The Cabinet at a meeting on November 7, reached a unanimous decision that budget deficit bonds shall under no circumstances be allowed to exceed Yen 810,800,000, according to *Rengo*. Since "delivery bonds" for pensions and similar services will amount to about Yen 113,-000,000, new bond issues during the year commencing April 1 will be in the neighborhood of Yen 924,000,000. Premier Saito came forward with his unqualified support for the Finance Minister's stand against a greater budget and it was agreed that the War, Navy and Finance Ministers should confer among themselves to find ways and means to bring their budgets within the limit decided by the Cabinet as a whole. Mr. Takahashi explained that demands for appropriations from all Ministries had amounted to Yen 2,900,000,000, including Yen 1,400,000,000 of new demands. To meet these the Government could look forward to revenue no greater than Yen 1,330,000,000. If the Finance Ministry were to grant all the new demands, he explained, it would have to provide new bond issues totaling Yen 1,570,000,000 in a single year. He contrasted this to the financing managed during the Russo-Japanese War, when bonds totaling Yen 1,000,000,000 were spread over a four-year period. The nation is now in such position, the Finance Minister emphasized, that such bond issues could not be absorbed. In the past, said Mr. Takahashi, the budget has generally shown a surplus. This year the situation is such that there is sure to be a deficit, even in excess of that supposed to be covered by the contemplated bond issue. It is significant, however, that in the discussions, Mr. Takahashi said that the "Manchuria affair expenditure had to be accepted on the whole."

A telegram from Tokyo, Nov. 10, stated that after a heated wrangle between the Army and the Navy regarding the division of the additional Yen 95,000,000, which Mr. Takahashi, Japanese Minister of Finance, had agreed to allow between them, it was finally agreed that the Army should take Yen 50,000,000 and the Navy Yen 45,000,000. This makes the total of next year's Budget estimates Yen 2,205,000,000, of which Yen 447,000,000 will go to the Army and Yen 372,000,000 to the Navy compared with the Army's original demand for Yen 561,000,000 and the Navy's Yen 614,000,000. As an illustration of the mental attitude of the militarists regarding finances, Gen. Araki, Minister of War, declared in an interview with the correspondent for the defrayal of a few thousand millions of yen the *Associated Press*, "Japan is not so weak that will undermine her financial basis."

The Japanese Ministry of Finance is negotiating with the Bank of Japan for the issue of bonds during the present month in the sum of Yen 200,000,000. Observers say the proposed bonds will be sold for Yen 94.60 with a term of maturity of 10 years. Mr. Hijikata, Governor of the Bank of Japan, in a recent interview is quoted as having said that the interest rate has not been decided yet, but both the Government and Bank had agreed on suitable measures to meet the prevailing money market situation. When the inflationary policy forces up prices sharply and the exchange rate drops further the Bank will have to sell bonds to control the currency circulation, he said. He intimated that an interest rate of 5 per cent would be decided upon.

The Japanese Government has in the meanlime decided to issue 5 per cent bonds involving a face-value of Yen 2,630,925 in connection with the new law concerning indemnification of losses caused to banks over stabilization of the silk price.

Not much is heard any more about increasing the rate of taxation. The *Japan Chronicle* in a recent editorial entitled, "A Business Venture," pointed out that "probably General Araki does not realize what an enormous increase in taxation is involved in the depreciation of the Yen." Discussing the "business" side of the Manchurian venture the *Chronicle* said:

> "The fact remains, that the expenditure for the coming year can hardly be less than a thousand million yen in excess of the revenue in Japan, and this is just about the amount which the costs of the Manchurian business will amount to. It is therefore very necessary, from a business point of view, that the thousand millions should be spent in such a way as to bring in a return: it is, fundamentally, the justification for the whole enterprise. The need for securing the safety of Japan's investments in Manchuria was regarded as the only justification for the intervention, and the cost of the intervention is necessarily viewed by the public in the light of a further investment. It is to be feared that the military authorities have not gone very thoroughly into the estimates for prosperity. For the present, at least, it is necessary to make an enormous addition to the national debt. No doubt Manchukuo would be willing to show its gratitude in a substantial manner; but the country has suffered dire misfortunes in the way of floods, and far more Chinese have fled from it than can possibly be replaced by Japanese immigrants, be they ever so eager; so it is hardly to be expected that the new State will begin to pay its way before 1934, and meanwhile Japan will have to find a great deal of money for the bondholders. An ingenious suggestion has been made that all Japanese holdings of foreign-currency securities—especially power company debentures—should be made the victims of forced purchase; but this does nothing to mollify the fact that the debts owing to foreign investors have increased heavily owing to the fall of the yen. Such being the nature of the domestic financial difficulties, the Government must regard Manchuria with far more anxiety in the light of a business enterprise than it does from the point of view of discussions at Geneva."

In an article entitled, "Inflation Will Cause Greater Disparity of Wealth in Japan—Poor Will Suffer More Than Rich from Debasing of Currency, Widening Gap Between Classes," Dr. S. Washio, writing in *The Japan Advertiser* of November 9, mentions that the Manchurian affair has already cost some Yen 350,000,000 and that the relief legislation which has been enacted calls for Yen 800,000,000 for unemployment relief over two years and seven months from September last. Dr. Washio argues that a disproportionate burden of the taxes falls on the poor. He points out that the total of the progressive taxes on incomes and inheritance is only Yen 130,000,000. Further he figures that forty percent of the total tax revenue, paid to the national treasury in taxes on incomes and inheritance will be paid

back to the holders of government bonds as interest. For by the end of the next fiscal year the amount of national loans will reach Yen 8,000,000,000 and the interest on this amount at five percent will be Yen 400,000,000. As the major part of the government bonds are held by rich people this means that they will receive back from the State what they pay in direct taxes and probably much more.

With all this financial trouble on the Government's back the politicians of Japan, as in other countries, are busily engaged in the gentle pastime of "passing the buck." A *Rengo* telegram from Osaka November 13 spoke of the "mysterious movements of politicians." The military maneuvers at Nara and Osaka terminated on Nov. 14, and the various ministers are now fixing their fences for the forthcoming meeting of the Diet on December 24. The controversy over the budget is stated to have stiffened the attitude of the Seiyukai towards the Government and it is believed to be trying to alienate itself altogether, in spite of the fact that it has three representatives in the Cabinet.

Among the loans which are to be placed on on the Japanese market is one known as a "foundation loan" for the Manchukuo government in the sum of Yen 30,000,000. The proceeds, according to the prospectus, are to be employed for the maintenance of peace and order in that territory. The salt and opium monoplies of Manchuria are to be given as security for the new loan. The opium security seems to be particularly good, as from all accounts the opium trade is flourishing in Manchuria since it has come under Japanese tutelage In order to preclude misgivings that the flotation of the loans in the Japanese market contravenes the provisions of the Four-Power Consortium, set up some years ago by Japan, Britain, France and America, the Manchukuo Government has notified the Governments of the Powers concerned that whereas the Four-Power Consortium is concerned with loans to China, the new flotation is the concern of the independent State of Manchukuo. Moreover, it is pointed out, the bonds are to be raised in the public market, not to be subscribed by Japan. The matter does not, therefore, contravene the provisions of the Four-Power Consortium, according to the Japanese idea.

The Yokohama Specie Bank is also expected to notify the banking syndicates of Britain, America and France that the Japanese syndicate has decided to subscribe to the new loan issues by Manchukuo, at the same time soliciting their assistance.

Feng Yu-hsiang and Hu Han-ming Become Vocal---Announce Political Programs

THE latest moves in the Chinese political situation, designed chiefly for the purpose of influencing the forthcoming Third Plenary Session of the Kuomintang Central Executive Committee, scheduled to meet in either Nanking or Loyang on December 15, were announcements of policy by China's two outstanding "outs," Feng Yu-hsiang and Hu Han-ming. Feng Yu-hsiang, erstwhile "Christian-General" and Kuominchun military leader, is now in Kalgan on the edge of Mongolia, an advantageous position where he can keep one eye cocked on Manchuria and the other on Chinese politics. Since the collapse of his ambitious "Northern Military Coalition" in 1930 which included Yen Hsi-shan and Wang Ching-wei, Feng has been in retirement, living in temples in Shansi and Shantung. Just prior to the Japanese military intervention at Shanghai last January, Feng made a hurried trip to this city where he made several addresses dealing with domestic and foreign politics upon which occasion he made a point of wearing his workers' garb, thus indicating his close association with Chinese peasantry.

From the vantage-point of Kalgan, where his subordinate, Gen. Sung Chieh-yuan, is governor of Suiyuan province, Feng is causing Marshal Chang Hsueh-liang, ruler of Peiping, to have sleepless nights by broadcasting telegrams dealing with China's international and domestic political affairs. Feng's latest was a 4,000-word message addressed to the people, said message being inspired as a result of cables which Dr. W. W. Yen, Chief of the Chinese delegation at Geneva, had sent back to China urging the militarists to keep quiet until after the League had finished with the Manchurian question. Dr. Yen obviously did not relish the idea of having some of his home militarists starting a counter attraction in the midst of the Geneva deliberations and thus supplying the Japanese with fresh ammunition for use against China, hence he sent four messages, two addressed to Han Fu-chu and Liu Chen-nien in Shantung and two others to Liu Hsiang and Liu Wen-hui in Szechuen. Dr. Yen's telegrams were sent through the Nanking Foreign Office, hence Dr. Lo Wen-kan, Foreign Minister apparently thought it wouldn't do any harm to send copies of the telegrams also to Feng Yu-hsiang, particularly in view of the reports recently circulated by the Japanese alleging that Feng Yu-hsiang was mixed up in a plot to form a coalition of Kuominchun with remnants of the old Anfu and Chihli factions with the object of ousting Marshal Chang Hsueh-liang from control of the Peiping-Tientsin district and Jehol. These reports undoubtedly had much to do in inspiring the recent statement circulated by T. V. Soong, Finance Minister, calling attention to the fact that the National Government at Nanking was steadily growing in power and influence and that the day of petty squabbles of provincial militarists was over. These reports also undoubtedly had much to do with the sudden decision of Marshal Chang Hsueh-liang to make a hurried visit to Hankow for a conference with Gen. Chiang Kai-shek, T. V. Soong and other leaders of the central government.

But to get back to Feng and his 4,000-word telegram, a summary of which was distributed by *Reuters* from Peiping on Nov. 9, the Kuominchun ex-marshal declared that he was "filled with sorrow and indignation" following perusal of Dr. Yen's telegrams because "never in the history of the world had there been a case where a state, confronted with a grave national crisis,

was still engaged in the work of killing its own citizens." He then made some specific recommendations, (1) the establishment of a really united central government capable of offering resistance to Japan and recovering the lost territories; (2) immediate enforcement of democratic government as a means of rectifying all grave mistakes of the past; (3) development of construction projects beneficial to the whole people and abandonment of enterprises calculated to benefit private interests only; (4) diversion of energies now wasted on internecine strife to a common front against external aggression; (5) enforce revolutionary diplomacy, erect a high tariff wall, make use of national capital for development of production and the placing of national defence on a firm basis, elevate the standards of living of the entire people. In conclusion Feng declared he was not actuated by impulse or sentiment, but believed the country had reached a most critical stage in its history and if some fundamental measures were not adopted at once there was grave danger that China would be dismembered or placed under international control. "For these reasons I have decided to speak out regardless of the consequences."

From the cold, sandy and mountainous wastes of Kalgan the scene now shifts to the far south—Hongkong—where a correspondent for the *North China Daily News* states another "political Mecca" is in existence, otherwise the headquarters of one Hu Han-min. This leader of the so-called "extreme right" in the Kuomintang and virulent opponent of all leftists and communists, also has become vocal. Curiously the article in the *N. C. D. N.*, which apparently was written on Nov. 1, did not appear in print however until Nov. 10 the day following Feng's broadcast. Hu Han-ming's proposals were somewhat briefer than Feng's being limited to four points, (1) punishment of Marshal Chang Hsueh-liang for the loss of Manchuria; (2) effective suppression of communism; (3) resistance against Japanese aggression; (4) abolition of any form of dictatorial government at Nanking.

Hu Han-ming, late head of the Legislative Yuan at Nanking, also has been in retirement in recent months, residing in Hongkong. According to the correspondent in the *N. C. D. N.* Mr. Hu has now recovered from his recent illness and although he does not occupy any official post in the Canton government, he is said to wield considerable influence and frequently is consulted by high military and civil officials in the southern capital; in fact he serves as a sort of "elder statesman" in matters concerning relations with Nanking. It was stated in the article that Mr. Hu's recent declaration had been inspired by a request from Canton in view of Canton's possible policy in connection with the forthcoming Third Plenary Session of the Kuomintang Central Executive Committee. It was in reply to this request that Mr. Hu made his recommendations for the possible use of Canton's delegates to the C. E. C. meeting. In addition to the declaration of policy it also was stated that Mr. Hu has been active in the formation of a new "China Revolutionary Party," the announced object being to counteract the activities of the so-called "Blue Shirts," a semi-fascist organization which allegedly is being directed from Hankow. With reference to conditions at Canton, the destinies of that city as well as the politics of Kwangtung and Kwangsi provinces are being dictated largely by Gen. Chen Chi-tang, 41-year old militarist who has fought his way to the top in the south. It was claimed that since the death of Koo Ying-fan, Gen. Chen Chi-tang has come to lean on Hu Han-ming for political advice and that Hu in turn has established close political affiliations with other southern leaders such as Tang Shao-yi, Shao Fu-chen and other lesser lights. Also there was a reference to the recent departure of Gen. Chang Fa-kwei, former leader of the "Ironsides," for Europe, presumably for the purpose of joining Wang Ching-wei, Left-wing leader in the Kuomintang who recently resigned his position as chairman of the Nanking Executive Yuan in order to go to Europe for medical treatment. It was stated that Gen. Chang Fa-kwei was "disgusted with recent political developments," and had placed his troops in southern Kiangsi under the command of Gen. Wu Chi-wei, while most of his other subordinate officers were now serving under Gen. Chen Chi-tang at Canton.

Of direct interest in connection with the recent declarations of Feng and Hu Han-ming was the recent denial of Dr. C. C. Wu former Chinese Minister to Washington, that his recent trip to the north had any connection with the domestic political situation. Dr. Wu has generally been looked upon as a member of the Hu Han-ming faction in Kuomintang politics, hence his recent trip to Kalgan and Taiyuanfu where he conferred with Feng Yu-hsiang and Yen Hsi-shan, caused considerable political talk along the line that he was trying to arrange a coalition between northern and southern factions against the Nanking Government. Dr. Wu issued an emphatic denial of these rumors, stating that he was merely re-visiting Peiping "after an absence of ten years." Dr. Wu resigned his position as Minister to Washington on the grounds he had been asked to obtain permits for the shipment of military airplanes on behalf of the Nanking Government for possible use against Canton. Since that time he has been residing in Canton, having in the meantime refused to accept the post of governor of Hainan Island which had been offered to him following the defeat of Admiral Chan Chak and the Canton Navy by Gen. Chen Chi-tang. It seems to be axiomatic that whenever the northern militarists become active, they have to send to Canton for political talent, hence the present situation apparently is no exception to the general rule!

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Heavy Fighting Reported from Szechuan

Recent advices from Szechuan province stated that General Liu Hsiang, the Chungking warlord, made a fierce but futile attempt to capture Luchow City November 13. He is stated to have lost some 1,000 officers and soldiers during the battle, while heavy casualties also are reported among General Liu Wen-hui's forces. Bombing planes were used in the attempt to dislodge General Liu Wen-hui's troops. These were assisted by scores of junks, five merchant vessels and a gunboat, also some 3,500 soldiers. A dispatch sent from Chengtu claimed that more than 25 of Liu Hsiang's junks were sunk during the battle. The bombing planes used by General Liu Hsiang, are, however, playing havoc with the populace in Luchow. More than 2,500 persons, including non-combatant civilians, have been killed or wounded since the siege of the city, it is reported. Some 10,000 persons have been

rendered homeless, an appeal sent by the civilian public bodies in Luchow stated.

It is reported that measures for the solution of the Szechuan trouble were decided upon at a conference between Generals Chiang Kai-shek, Chang Hsueh-liang and Messrs. Tai Chi-tao and T. V. Soong at Hankow, Nov. 14. It is understood that a thorough reorganization of the Szechuan Provincial Government will be made. General Liu Wen-hui, Chairman of the Szechuan Provincial Government, has telegraphed to General Ching Kai-shek appealing to the latter to stop the advance of the 21st Army under General Liu Hsiang so as to avert further strife. The message reports that as a result of the bombardment of General Liu Hsiang's gunboats and airplanes on Luchow, parts of the city have been reduced to ruins.

The situation has become grave in Chengtu during the last few days, as a breach is reported between Generals Liu Wen-hui and Dien Sung-yao, who for a time were reported to be allies. The public bodies in the Szechuan provincial capital have requested General Teng Shih-hou to station his forces in the city in order to keep peace between the rival forces.

Panchen Lama Favors Peace

A telegram received by the Mongolian and Tibetan Affairs Committee from Lo Sang-chi-chan, personal representative of the Panchen Lama at Peiping, states that the "Living Buddha" heartily endorses the proposal of the Committee to convene a peace conference for the solution of the Sikong-Tibet dispute. The message also announces the Panchen Lama's readiness to proceed to Nanking to participate in such a conference when it opens.

Shantung Quiet, but Gen. Liu Chien-nien Refuses to Move

The Shantung situation remains quiet, but the germs of future trouble still exist. General Liu Chen-nien's forces for the present are remaining stationary outside Yihsien. It is reported that General Liu is still awaiting the arrival of General Ho Yi-san, his subordinate general, who during the fighting defended Laiyang. General Ho Yi-san was believed during the week to be meeting General Liu Cheh-nien for a conference regarding the disposition of the Militia, who were previously reported to be taking over various areas in Eastern Shantung. General Liu Chen-nien, who had been in control of Chefoo and the area surrounding it in Eastern Shantung until the recent hostilities, but whose forces are now to be moved to Northern Hupeh, is thought to be dissatisfied with the arrangements made and he is apparently refusing to move until the situation has been clarified.

Progress Made Against "Reds" in Southern Shensi

Joint suppression of the remnant "Red" outlaws under Hsu Hsiang-chien in southern Shensi by units of the Hupeh and Shensi Provincial Forces is in progress. According to a telegram from General Hsiao Chih-chu, Commander of the 44th Division, the brigands are now at Huokow, Meikow and Jenlingshan, although their base remains at Fanmiaotse. The 1st Division under General Hu Tsung-nan is holding the line stretching from Sanjentien, Chiao-changkow and Leiyingshih to Kumiaomow while the 64th Division under General Liu Mou-en is responsible for the Chingkow-Fanhongkow-Shihfoshih line. The 1st Division has established contact with the 42nd (Shensi) Division under General Feng Ching-tsai at Manchuan-kwan. General Hsiao's 44th Division reached Nanping and Changchiakow on the 11th and effected junction with the 64th Division. A joint enveloping movement has been launched on the bandits.

General Chiang Kai-shek reviewed a part of the 88th Division under General Yu Chi-shin and the 33rd Division under General Feng Hsing-hsien at Nanhu, near Hankow Nov. 13.

A Hankow message reports that the remnant "Reds" under Hsu Hsiang-chien who recently fled to Manchuan-kwan are being pursued by the 64th Division under General Liu Mou-en, the 44th Division under General Hsiao Chih-chu and the 1st Division under General Hu Tsung-nan.

Franklin Delano Roosevelt and the Far East

ON March 4 next Governor Franklin D. Roosevelt will assume office as President of the United States of America, bringing with him not only a complete change in national administration but also an almost complete change in state and local political administrations throughout the United States. More than 20,000,000 Americans voted for Mr. Roosevelt while Hoover, the Republican candidate received only 14,000,000, this vote being an almost complete reversal of the situation four years ago when Hoover polled a vote of more than 21,000,000 against his Democratic opponent Alfred E. Smith who received slightly over 15,000,000 votes. Practically all of the "old-guard" Republican members in the Senate and House of Representives also were defeated, including Senator Hiram Bingham of Connecticut and Representative Leonidas C. Dyer of Missouri, both of whom for many years had shown a special interest in China. Also, of special interest in the Far East, it will mean the appointment of a new Secretary of State in place of the present incumbent, Col. Henry L. Stimson, and this in all probability will mean the appointent of a new American minister to China in place of Nelson T. Johnson. In accordance with custom, Mr. Johnson and all other appointive officials of high and low degree must submit their resignations upon the expiration of Mr. Hoover's term of office. Another American official in China who will be affected by the Democratic victory is Judge Milton D. Purdy of the U. S. Court for China whose term expires in 1934, which date will fall in the term of Mr. Roosevelt. American consuls-general in China such as Edwin S. Cunningham at Shanghai are not affected by the change in political administrations since they come under the civil-service. However, Mr. Cummingham will be eligible for retirement next year in the event he so desires as he has completed thirty-five years of service in this branch of the U. S. Government.

Owing to the importance of the United States in world affairs any change in administrations is naturally a matter of international interest, each country judging the probable consequences in terms of its own interests. As an example of this we find the French newspapers expressing elation at the Democratic victory on the grounds that a change in American prohibition laws in the direction of increased wetness will provide an enlarged market for French wines. Also, there is considerable elation in Moscow due to the belief in Soviet circles that the new American president will be more favorably inclined to Russian recognition than his predecessor, Mr. Hoover, has been. In no place in the world, however, has there been greater interest in the outcome of the American election than in the Far East due to the policy of the U. S. Government on the Manchurian issue. Both China and Japan have watched the progress of the election with intense interest, the Japanese generally betting on Roosevelt while many of the Chinese leaders hoped for the re-election of President Hoover on the ground it would assure a continuity of the Hoover-Stimson policy. But more on that point later.

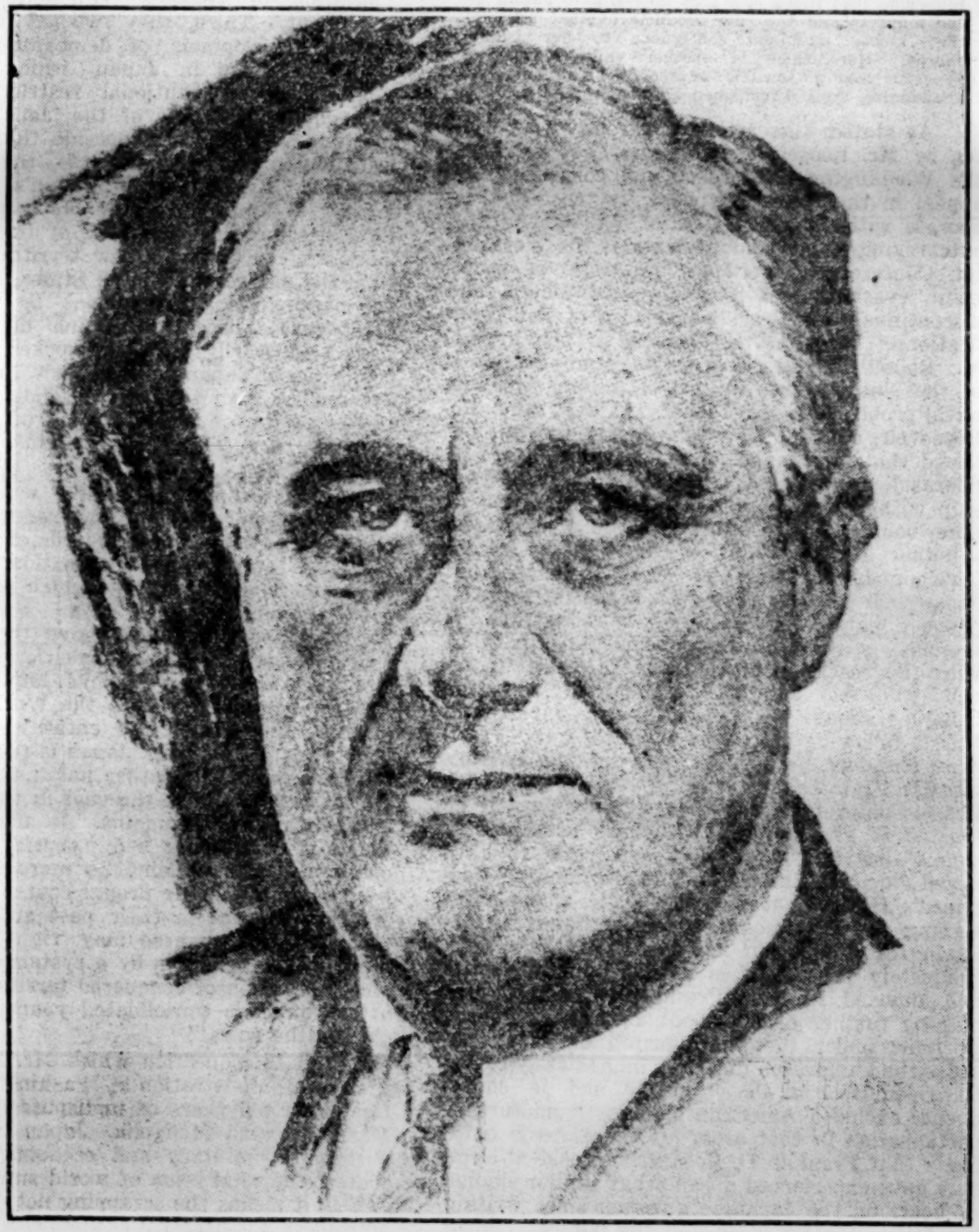
Perhaps the most expressive statement on the outcome of the election which has been

telegraphed to the Far East was a brief cable by *Reuters* giving an excerpt from the *New York nu,* "Roosevelt must feel like a man sent into the cellar to look for a gas leak with a lighted candle...He has his work cut out. To make good he will have to combine the best features of a magician, a statesman and boss of a front-line dressing station." There is point to this because never in the history of the United States has a new president been confronted with more baffling domestic and international problems. Domestic problems, of course, will have to come first because it was universal discontent with present economic conditions in America that caused the voters to oppose the re-election of President Hoover whom they held responsible for present distress exemplified in the fact that some twelve or fifteen millions of Americans are out of work and must depend upon public and private charity for their livelihood. Ordinarily there are between six and seven million more Republican voters than there are Democrats in the United States, hence the Roosevelt plurality of six millions over Hoover gives some idea of the extent of present discontent. For this reason it appears obvious that the new administration will give first attention to American domestic problems and a lessened interest to international affairs, excepting of course, those outside affairs such as the war debts and world economics which have direct bearing on America's own home problems. One of the principal charges brought against the Hoover administration was that too much attention was given to outside world affairs to the neglect of domestic problems. In the solution of domestic problems the new president will have an advantage over the last two years of the Republican administration, because Roosevelt will have a comfortable majority in both the Senate and House of Representatives. The final make-up of the Senate will be Democrats, 59; Republicans, 36; Farmer-Labor 1, while the House of Representatives will be Democrats, 310; Republicans, 120; Farmer-Labor 5. In the past two years the Republican president had a Democratic controlled House and a Senate almost equally divided between the two major parties. Democratic control of both the Senate and House will mean new heads for all of the important committees, including Senate Foreign Affairs, where Borah has held sway for so many years. However, Senator Borah and other Republican progressives will not be altogether without influence in the new administration because most of them including Senator Johnson of California and Senator Norris of Nebraska either supported Roosevelt directly or gave Hoover half-hearted support which was worse than none at all. The same situation applied to some of the leading newspapers, the normally Republican *Chicago Tribune* for example showed little enthusiasm for Hoover, while the *Hearst* newspapers which previously supported Hoover, flopped over entirely and advocated the election of Roosevelt. Both the *Hearst Press* and the *Chicago Tribune* opposed Col. Stimson's policy in the Far East on the ground that it was likely to involve the United States in war with Japan while on the other hand little or nothing was being done to prepare America in a military way for such an eventuality. Both these powerful newspaper groups are advocates of a strong American navy and a policy of "attending to our own business, rather than meddling in the affairs of the world generally."

From the standpoint of the Far East interest is centered on two questions of pressing importance—Philippine independence and the Manchurian issue. The Democrats always have advocated independence for the Philippines and while Woodrow Wilson was president Congress passed the so-called Jones Act which constituted an important step in the preparation of the Filipinos for independence in that it placed domestic affairs in the Islands in the hands of the native people. While the Republicans always opposed complete independence for the Philippines, economic conditions in the United States caused the Hoover administration to change its attitude due to the desire of Congress to erect a tariff against Island products which competed with local American industries such as sugar and and the dairy industries. The election of Roosevelt therefore means that steps shortly will be taken to cut loose from the Philippines, but how and in what manner has not yet been determined. There recently have been news reports that the United States will shortly negotiate treaties with the various nations guaranteeing the neutrality of the Philippines under an independence regime. The solution of the Philippine problem naturally has a bearing on American policy in the Pacific since it concerns naval armament as well as diplomatic relations with other countries such as England, France, Japan and Netherlands which also have colonies in the Pacific area.

Of greater international interest, even than the Philippine question is the matter of Roosevelt's possible policy on the Manchurian issue, regarding which much already has been written despite the fact the Democratic candidate apparently has made no official statement on the subject. The *United Press* which supplies American news to the Far Eastern press has carried two or three forecasts on this question suggesting there would be little or no alteration of America's traditional policy pertaining to the Open Door or even toward the Hoover-Stimson doctrine of non-recogntion of territories acquired in contravention of the Nine-Power Treaty and the Kellogg Anti-War Pact. The Japanese, however, profess a belief that the election of Roosevelt will result in a modification of the American policy. The official Japanese *Rengo* service on Nov. 12 circulated a dispatch from Changchun, capital of Manchukuo, stating that the election of Roosevelt had caused much joy among officials of the Japanese puppet state, alleging that the new U. S. secretary of state would immediately grant recognition. The dispatch hinted that a "sympathetic" American policy toward Manchukuo would be reciprocated by Manchukuo's upholding of the policies of the Open Door and Equality of Opportunity, in which case "American merchandise and investments would flow into the country and thus enable the United States to realize its dreams in Far Eastern markets." Nothing was said though, about what the Japanese and Manchukuo would do in the event Roosevelt decided to continue the Hoover-Stimson policy. Generally speaking it is extremely unlikely that there will be any change in the tradi-

tional American policy on the Open Door, but much naturally depends upon the personal inclinations and connections of the future Secretary of State. Newton D. Baker who has been mentioned as a likely appointee to this position already has expressed himself as strongly opposed to Japanese military aggression on the Asiatic continent, but thus far Mr. Roosevelt has made no public pronouncements as to the personnel of the new cabinet. To refer back to not-too-ancient history, the Democratic president Woodrow Wilson opposed the notorious Japanese Twenty-One Demands on China in 1915, but later on Wilson's secretary of state, Robert Lansing, was responsible for the so-called Lansing-Ishii agreement which gave Japan a sort of backhanded recognition of her "predominant" position in sections of the Asiatic continent which are "contiguous" to Japanese territory, otherwise Manchuria. It remained for the Republican administration of President Harding to repudiate the Lansing-Ishii agreement following the Washington Conference in 1922.



Franklin Delano Roosevelt, President-Elect of the United States of America

Of some interest in connection with Roosevelt's possible attitude on Far Eastern questions was the publication in the October number of the *Far Eastern Review* of an article allegedly written by Mr. Roosevelt along about 1923 or 1924 following the Washington Conference on the subject, "Shall We Trust Japan?" Nothing was stated as to where the article originally appeared or the circumstances under which it happened to be written, but interest attaches to its republication in a journal which for many years has served as a sort of house-organ for the Japanese military party and the editor of which is now serving at Geneva as the paid propagandist of Japan and Manchukuo. The significant paragraph in the Roosevelt article was as follows,

> "Now with regard also to the very important question of Japanese and American interests in China, the situation is somewhat improved. The idea of the partition of China, which hung like a cloud on the horizon of two generations of Japanese growth, I regard as having been dissipated, if not forever, then for our own times, by the great war. During these same generations and longer the

United States, innocent of territorial ambitions, has been the proverbial friend of China, and American sympathies have been pro-Chinese rather than pro-Japanese. Perhaps, however, we are appreciating now a little more readily than formerly the Japanese point of view. Although today the Open Door, brought into general recognition and pledged at the Washington Conference of 1921, is, with the Monroe Doctrine, the only definitely expressed foreign policy of the United States, we can now recognize that there is a real necessity to Japan of the markets and the raw products of that part of the Chinese mainland contiguous to her island shores. Here, then, is another valid reason, a generous and a sensible reason, for altering or abandoning the old-fashioned habit of mind."

As stated, this article apparently was written by Mr. Roosevelt, ten years ago, following the Washington Conference and constituted an appeal to the American people to trust and cooperate with Japan in view of Japan's faithful outcarrying of her commitments at the Washington Conference, involving limitation of armament, evacuation of Shantung and Siberia and discontinuance of work on certain of her fortifications. Prior to the writing of the article, Mr. Roosevelt had served as Assistant Secretary of the Navy, hence he was familiar with the naval problems of the Pacific. At that time, Mr. Roosevelt, along with most other Americans believed that Japan had embarked on an era of liberal democratic government devoted to friendship with her Far Eastern neighbors as well as other countries with interests in the Pacific area. Whether Mr. Roosevelt, in the light of recent developments in the Far East, believes that Japan still can be trusted to keep the peace is another matter! It is entirely possible that his feelings on this point may coincide somewhat with the reactions of the late Theodore Roosevelt, who was intimately connected with the bringing about of peace between Japan and Russia following the Russo-Japanese war. President Theodore Roosevelt, in the light of Japan's altruistic statements during the Portsmouth Peace Conference, also thought Japan could be trusted to give her Far Eastern neighbors a square deal and accordingly was said to have urged Japan to declare an "Asiatic Monroe Doctrine." However, it was only a few weeks after signing the Portsmouth agreement and the declaring of a policy of non-agression, that Japan completely reversed her official announcements and annexed Korea. President Roosevelt had nothing further to say about an Asiatic Monroe Doctrine under the guardianship of Japan because the annexation of Korea immediately closed the Open Door in that country and in consequence excluded American business from further participation in that area. It therefore is quite likely that Franklin D. Roosevelt, president-elect, may have experienced a somewhat similar change of heart on the Japanese question since writing his article ten years ago on the subject, "Shall We Trust Japan?"

As stated previously in these columns of *The Review*, the Manchurian question, although of absorbing interest to China and the Far East generally, is only a part of the much larger problem of world armament and peaceful orderly relations between nations. When the Japanese General Staff gave the order to move into Manchuria in the fall of 1931, which meant the scrapping of the Washington treaties and the Kellogg Anti-War Pact as well as violation of the League Covenant, the Japanese war-lords had three major objectives. First, they wished to block China's rapid development toward full independent nationhood by seizing Manchuria and consolidating Japan's position on the Asiatic continent. Second, they wished to block any further limitation or possible reduction of Japanese armament. Third, they wished to block any further development of democratic representative government in Japan, which, conceivably might place constitutional restrictions on the independent activities of the Japanese military machine which is now outside the regular constitution and subject only to the will of the emperor. By tearing up Japan's international treaty commitments, the Japanese war-lords have accomplished all three of their objectives. They have acquired a new territory about one-fifth the size of the United States, blocked Chinese nationalistic development by starting the oft-discussed process of China dismemberment, have temporarily at least blocked any further limitation of Japanese armament, and apparently are on the road to the consolidation of their power as the governing organ of the Imperial Japanese Empire under a regime of military-fascism.

Unless stopped by united world action, or more concretely by the independent action of the United States, the war-lords of Japan are on the road toward world domination by a process of conquest similar to that which produced other great empires of the past. Specifically the Japanese empire-builders have their ambitions set on succeeding to the position now held by Great Britain or that to which imperial Germany had set her eyes prior to the World War. The Japanese spokesmen are entirely correct when they declare that what Japan is now doing is no different from what other nations, including the United States, did in the past in the building up of their national domains. In many ways the Western Powers are being repaid in their own coin for Japan is doing no more than she had been taught was the proper course by the same Western Powers in their past activities in the Orient. The Japanese may rightly say, "You built up your empires by a system of aggression and annexation of conquered territories, but now after you have consolidated your positions, you change the rules!"

It is this question which Mr. Roosevelt and the new administration at Washington must face for, given ten years of undisputed possession of Manchuria and Mongolia, Japan will be in a position of military and economic strength to contest the vital issue of world supremacy. Concretely it means the scrapping not only of all the machinery for peaceful adjustment of differences between nations as envisaged in the League Covenant, the Washington Treaties and the Anti-War Pact, but it also means the enforcement on the peoples of the world of the doctrine that "might makes right," in contradistinction to the theory of democratic government considered domestically from the standpoint of individual nations or internationally from the standpoint of world order.

League Atmosphere Muddled at Opening of Manchurian Discussions

THE situation at Geneva does not appear favorable for an adequate discussion or clear-cut decision on either the Lytton Report or the Manchurian question. The League's consideration of these important matters is scheduled to begin on next Monday morning, Nov. 21, but latest news reports from Geneva as well as other world capitals do not hold out much hope for definite action—rather is the impression given that the Powers may again attempt to side-step the issue by appointing further committees. For example a *Reuter* report from London on Nov. 14 stated the Manchurian issue was being overshadowed by the war-debts and disarmament discussions and it was suggested the League may adopt the first eight chapters of the Lytton Report and then refer the last two chapters pertaining to recommendations to a new committee. Although not mentioned in the news reports referring to the League meeting there are other conditions existing at Geneva which do not create a favorable atmosphere for any type of international conference. The city is an armed camp as a result of clashes between Swiss troops and delegations of Socialists from various quarters who went to Geneva to present petitions pertaining to the disarmament question.

Latest developments pertaining to the League's consideration of the Manchurian issue are concerned with the appointment of a so-called "new international committee," the object apparently being to bring both Russia and the United States directly into the picture. Reports on this new development are conflicting. A *Kuomin* report from Nanking on Nov. 11 stated that a special meeting of the Foreign Relations Committee had been held to consider a suggestion from the Chinese delegation at Geneva for the appointment of such an international committee which would include membership from non-members of the League, notably the United States and Soviet Russia. Dr. C. T. Wang, former Minister of Foreign Affairs, who happened to be in Nanking at the time was quoted as favoring the appointment of such a committee, but apparently something went wrong for *Reuters* carried a report from Nanking on Nov. 12 quoting a spokesman of the Foreign Office as denying that such a proposal had been received from Geneva or that it had been discussed by the Foreign Relations Committee. However, it appears that there has been some new development at Geneva for the official Japanese *Rengo* service in a dispatch from Tokyo on Nov. 13 told of the receipt of "important proposals" from Geneva. The Japanese report did not mention the appointment of a new committee, but declared that "complications will surely arise if representatives outside of the League are allowed to have their say." According to the Tokyo version the Geneva discussions "will acknowledge observations in the Lytton report with regard to the relations of China and Japan and Japan's special interests in Manchuria up to Sept. 18, 1931, but will studiously avoid any discussions pertaining to the responsibilities of either countries regarding past events." In addition the League will give serious consideration to plans for the stabilization of China and peace in the Far East, the members offering cooperation in bringing about an improvement in the relations of China and Japan. The Japanese report concluded with the statement that "so long as the League's recommendations do not violate the existence of Manchukuo, Japan will listen to all the other advice."

The Hymenopterous Insect in the Orient

The last victim of this bee's sting is still in a dangerous, complicated, and highly expensive state of lengthy convalescence

—A. C. Racey in "The Daily Star" (Montreal)

Although Nanking has denied the receipt of information pertaining to the foregoing suggestions, a *Reuter* report from Nanking on Nov. 14 stated that the Chinese delegation at Geneva had been instructed to "raise the question of responsibility for the Mukden outbreak when the Manchurian question comes up for discussion at the meeting of the League Council." The meeting of the League Council will be presided over by Eamonn de Valera, president of the Executive Council of the Irish Free State. The exact purpose of the so-called "new international committee" has not been stated, but according to report it would be advisory in nature somewhat along the line followed by the Powers' representatives in the negotiations which took place

following the Japanese intervention at Shanghai last January. It has been suggested that China would have nothing to lose in accepting membership on such a committee despite the fact that certain phases of the Lytton Commission's report are interpreted as infringing on the sovereignty of the country.

However, it yet remains to be seen whether Japan will agree to the appointment of such an "international committee" because the Tokyo war party has opposed from the beginning any interference on the part of outside interests, particularly the United States, and has insisted all along that the Manchurian issue must be

It Seems to Have Been the Cow's Idea

—Harper in the Birmingham "Age-Herald."

settled by Japan and China exclusively, with China in the position of a defeated nation. There have been several recent reports from Tokyo indicating that the Japanese war lords have not changed their attitude, one on Nov. 10 (*Japan Chronicle*) stating that Gen. Muto would be formally appointed "Ambassador to Manchukuo as a means of demonstrating to the world Japan's firm resolution in regard to the Manchurian problem." Also, it was stated the formal appointment probably would be made prior to the opening of the League meeting on Nov. 21. Furthermore, the press section of the Tokyo War Office on Nov. 9 issued the text of statements on the Manchurian issue which Gen. Araki, Minister of War had made to James A. Mills, special correspondent for the *Associated Press*. In this interview Gen. Araki declared that the southern border of Manchukuo was regarded as the Great Wall, hence Jehol, Chahar and Suiyuan are included along with Kirin, Fengtien and Heilungkiang provinces and that this entire area is embranced in the Japan-Manchukuo protocol—otherwise the area which Japan has agreed to defend with the full strength of the Imperial Japanese Army. A *Rengo* message from Tokyo on Nov. 15 stated that certain "revisions and additions" to Japan's official observations on the Lytton Report had been telegraphed to the Japanese delegation at Geneva, with instructions not to make them public until Nov. 20, "which would be too late for the Chinese delegates to make a reply before the opening of the League meeting on Monday." The text of Japan's official reply to the Lytton Report has been kept a closely-guarded secret, but the Japanese newspapers have suggested that the Japanese delegation will contend that, (1) The report ignored basic conditions in China which constitute a menace to peace in the Far East; (2) the insincerity, impotence and disunity of China cannot be regarded as a merely transitory stage in the reconstruction of the country; (3) the Report neglected consideration of China's violation of treaties and neglect of her international obligations; (4) the anti-Japanese boycott as a cause of the present trouble was not given sufficient consideration; (5) reports on Japanese restrictions placed on American and European business in Manchuria are false.

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The defeat of President Hoover in the recent U. S. elections has naturally had the effect of preventing any further expression of views on the Manchurian issue on the part of Col. Stimson, Secretary of State, hence the probabilities are that America will not participate in the League deliberations on the Lytton Report. However, there have been numerous reports indicative of American reactions. The Foreign Policy Association, an influential organization although unofficial in character, issued a report on Nov. 13 from its Washington headquarters outlining the four principal possibilities confronting the United States.

> The first problem as presented by the Association has apparently been settled by the State Department which recently announced that the United States will not participate in the League discussions on the report.
>
> Second in importance, according to the Association is the United States' action if the League recommends acceptance of the Report. The Association predicts that in that event the United States would endorse the Report separately and recommend that the disputants abide by it.
>
> Should Japan reject the League's recommendations and the League in turn should declare that Japan had violated the League Covenant, the Nine-Power treaty and other pacts, the United States would express similar views, the Association believes.
>
> The fourth problem would require the United States to decide upon action supporting its declaration. This, the association said, would probably result in the United States acting jointly with the League in declaring a policy of non-recognition of Manchukuo and establishing an international embargo on loans to Japan and the new state.

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Prof. G. H. Blakeslee of Clarke University, who served as technical adviser to the Lytton Commission, in an address before the Foreign Policy Association declared his conviction that Japan may finally agree to accept the Lytton recommendations. He declared that Japan will be unable to suppress the Chinese volunteers and bandits in Manchuria and that Japan's attempt to support and maintain Manchukuo will result in recurring guerilla warfare as well as continuation of the anti-Japanese boycott and ever in-

creasing bitterness between China and Japan. William R. Castle, Undersecretary of State, in a recent address also expressed the opinion that the Lytton report "is entirely fair and very thorough," and declared his conviction that Japan and the United States "ultimately would reach a full understanding on the question." Nathaniel Peffer, author of several books dealing with the Far East declared however, that the Lytton Report will not affect Manchuria and the Far East; that Manchuria is a closed incident, except as far as its future will be determined by the ultimate strength between China and Japan, economically or militarily, or by the armed intervention of a third party. In Mr. Peffer's opinion the American people have been committed to a policy in the Far East "which can be maintained only by force." He urged the calling of a conference of the Powers "not empty or a farce, like the Washington Conference," for the purpose of effecting a genuine peace. Of further interest indicative of the American attitude was a report from Washington on Oct. 10 stating that the International Law Committee of the American Bar Association, in its annual report had designated the Hoover-Stimson doctrine of non-recognition of government regimes established by the use of force as "an important doctrine in international law."

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A possibly more definite indication of America's real attitude on the Japanese and Manchuria issue was a *United Press* dispatch from Washington on Nov. 14 which stated that the U. S. Navy Department had decided to concentrate both the east and west coast fleets in Pacific waters for another six months, or until next March. The report stated that practically every fighting unit of the Navy would be concentrated in the Pacific, including all battleships in commission and all but one of the new 10,000-ton 8-inch gun cruisers, several of which are now in China or Philippine waters. Simultaneously with the recent concentration order, the Navy transferred the command of naval districts around Pearl Harbor, Hawaii and the Canal Zone from the headquarters in Washington to the active Commander-in-Chief of the fleet. The Navy Department denied any political motive in the present move, merely stating the fleet concentration was for the purpose of facilitating fleet training, but at the same time the Department issued a table showing the necessity for more battleship construction "otherwise the American fleet would be in third position among the Powers by 1936."

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Reports are still conflicting regarding the outcome of Japan's attempt to reach an understanding with Moscow on the question of Russia's recognition of Manchukuo and the negotiation of a non-aggression pact among Japan, Russia and Manchukuo. Mr. Matsuoka, Japan's chief delegate to the Geneva meeting, after spending several days in Moscow proceeded to Warsaw, capital of Poland where he held long conversations with Colonel Beck, Foreign Minister. A German *Transocean* dispatch stated that Japan had offered to raise the status of the Polish legation in Tokyo and the Japanese legation in Warsaw to that of embassies in exchange for Polish support at Geneva. Mr. Matsuoka then proceeded to Paris where he issued a long interview declaring that his visit to Moscow had resulted in improved relations between Japan and Russia and stated the possibility that Russia shortly would send representatives to Tokyo for the purpose of negotiating a new understanding. However, a *Reuter* report from Tokyo was not so optimistic and stated that spokesmen of the Japanese Government were opposed to the Moscow viewpoint that the questions of Manchukuo recognition and a non-aggression pact were indissolubly linked. Tokyo was of opinion they were entirely separate matters and consequently Soviet recognition of Manchukuo should not be made contingent on the conclusion of a non-aggression pact. A spokesman of the Nanking Foreign Office also expressed the opinion that Japan and Russia have nothing in common and that Japan's efforts to reach an understanding with the Soviets "was only intended as a threat to the Western Powers." The Soviet Red Army on Nov. 10 staged a celebration in Moscow commemorating the victory of the forces of the Soviet Government over the White Guards in Siberia a decade ago.

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The question of French attitude on the Lytton Report in connection with the forthcoming League meeting continues to attract interest in the news reports. The correspondent for *Rengo* service in Geneva on Nov. 8 cabled that there were indications that France's attitude toward the Sino-Japanese situation, which previously had been reported as sympathetic toward Japan, "had recently undergone a change and consequently could not be relied upon by Japan in the forthcoming battle on the Manchurian issue at Geneva." The corrrespondent stated that since France needs American support on the disarmament problem, the country had been forced to adopt a firmer attitude toward Japan. "In the face of the poor outlook there is only a remote possibility that France will give Japan full-fledged support in Geneva." The French Minister to China, M. Wilden, who is now in Nanking discussing the enforcement of the Sino-French treaty regarding Annam, told Dr. Lo Wen-kan, Foreign Minister that the French Government "was relying on the League for a settlement of the Manchurian issue and that France would not take any action separately from, or that which is not in confomity with the resolutions of the League." M. Pierre Lyautey, correspondent for *Le Temps* and *La Journal Industrielle*, who is now in the Far East, told the members of the China Institute of International Relations in an address at the Shanghai Bankers' Club that the French position on the Manchurian question would be similar to that of the United States. Before coming to Shanghai, Mr. Lyautey made an extensive tour of Manchuria and in an interview with Japanese newspapermen at Dairen (*Japan Chronicle*, Nov. 10) spoke highly with regard to Japanese financial and economic policy in Manchuria and was quoted as declaring, "Mr. Henry Pu-Yi, chief executive of Manchukuo, has the temper and ability of a real statesman."

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There have been practically no new indications of British reactions in connection with the forthcoming League meeting excepting quotations from British newspapers which have been telegraphed to the Far East. One report which attracted considerable attention in Tokyo was an article which had appeared in the *Christian Science Monitor* (Boston) from its London correspondent stating that Great Britain "would propose direct Sino-Japanese negotiations to settle the Manchurian controversy and if that failed, would then propose the organization of a joint commission including representation on the part of both Russia and the United States. It was stated further that Great Britain would give the Lytton Report unconditional support and would offer a number of suggestions for making it effective. The *London Observer* was quoted as declaring editorially, "As the wisdom of that remarkable document (Lytton Report) becomes more generally appreciated, hopes rise that a difficult problem will be solved. Indeed, in every diplomatic field, we now witness a spectacular swing into confident, even optimistic activity."

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That the Japanese themselves are beginning to realize that China means business on the Manchurian matter was indicated in a brief interview with Akira Ariyoshi, Japanese Minister to China who has just returned to Tokyo following an extensive trip which included Nanking, Shanghai, Tientsin, Peiping and Tsinanfu. The interview was cabled by *Rengo* from Tokyo and after explaining that China is now divided into three political groups, Nanking, Canton and the Communists, Mr. Ariyoshi declared, "The Japanese people should never under-estimate China for however confused her internal affairs may be she can nevertheless maintain a united front toward other countries." That the Japanese Minister is correct on this point has been indicated in recent statements by Chinese leaders both in and out of office. Dr. C. T. Wang, former Foreign Minister, in an interview with *Kuomin* at Nanking declared that "however just and well meaning it might be, it is not likely that the League would take drastic action to enforce its decisions. The thing that ultimately will count in the restoration of Manchuria is the guerilla warfare carried on by the Chinese volunteers and the economic boycott. These are beginning to tell upon Japan. The Japanese are harassed not only in North Manchuria but also in South Manchuria. The prediction of Baron Shidehara several years ago that for Japan to annex Manchuria would be similar to the swallowing of a bomb, has come true." Dr. C. C. Wu, representative of Canton political interests and also a former Minister of Foreign Affairs of the National Government, declared in the course of an interview with *Reuters* correspondent at Peiping, that the activities of Chinese patriotic bodies "must be sustained by an indomitable spirit; that the situation in Manchuria is not impossible for China to solve, if the people go about their task in a determined spirit." In this connection he mentioned the examples of Alsace-Loraine and Poland. Specifically he urged concrete support for the Manchurian volunteers and declared that the strain of attempting to subdue Manchuria upon Japanese finances would sooner or later prove unbearable and the hands of the anti-aggressionists in Japan would be constantly strengthened. Declared Dr. Wu, "The volunteers do not have to capture cities or vanquish the enemy; they should merely strive to continue their guerilla warfare against the Japanese so as to force the Japanese Government to maintain a large army in Manchuria...China's other powerful weapon is the boycott, which should be continued, but kept within lawful bounds....The continuance of the boycott ultimately will deal a crushing blow to Japanese commerce and thus hasten the collapse of the Japanese economic structure which already is tottering....The phenomenal slump in the value of the yen and the sufferings of the Japanese people are a direct result of the economic depression which is aggravated by the strain of the Manchurian problem and China's refusal to purchase Japanese goods." Dr. C. T. Wang in a further interview urged patience on the part of the Chinese people, calling attention to the fact that it required practically eight years for China to compel Japan to relinquish control of Shantung and since the Japanese desire to possess Manchuria is much greater than it was to hold Shantung, an even greater effort is now required on the Manchurian issue. Dr. Chu Chao-hsin, another ex-Foreign Minister who is now active in the Canton administration, expressed the opinion that Japan ultimately will accept the Lytton report "because Chapter X provides the basis of a settlement which is the very objective sought by the Japanese before the Shanghai war."

Japanese Start Second Drive North of Mukden

The second joint drive on the Volunteers by Japanese and Manchukuo armies was started on a grand scale Nov. 11. The area to be covered by the drive comprises the districts along Mukden-Hailung Railway, Kirin-Kaini and Kirin-Changchun Railways, as well as Mukden-Changchun Section of the South Manchuria Railway.

Terrific Hand-to-Hand Fight Near Tsitsihar

The headquarters of the Matsuki division reported from Tsitsihar Nov. 11 that over 500 Chinese corpses were left on a wintry battlefield at Khurkhura, a station on the Chinese Eastern railway five miles west of the Nonni river, where the Japanese regiment attacked and routed 3,000 followers of General Chang Tien-chu, vice-commander of the Railway Guards and principal Lieutenant of General Su Ping-wen. The Japanese losses are given as 13 killed and 50 wounded. The fighting was described as intense and fierce and often hand to hand.

Lishoushan Capture Causes Manchukuo Commander to Commit Suicide

A recent Peiping message stated that the Chinese Volunteers captured Takushan early on the morning of Nov. 5. As a result of the battle at Lishoushan, the commander of the Manchukuo troops was wounded and committed suicide. Being hard-pressed by the Chinese Volunteers in front and by Japanese troops behind, and with his family under the surveillance of the Japanese military, he had no opportunity but to capitulate. Three battalions of his men surrendered with their arms to the Volunteers.

Manchukuo Gunboat Mutinies

The crew of the Manchukuo gunboat *Sunli*, anchored in the vicinity of Lahasusu, near the confluence of the Sungari and Amur rivers, mutinied end of last week. The reports of the incident blame Red propaganda for the

(*Continued on page 543*)

Relief Work in the Missionary Program

BY G. FINDLAY ANDREW

(Chinese Recorder for November)

WHEREAS, in years past in certain missionary circles doubt was frequently expressed as to whether Relief work had an integral place in the program of the Missionary movement, yet I think that the great catastrophes in China, which have followed each other in such rapid succession in recent years have shown to us all that it is impossible for us to hold ourselves aloof from such efforts which have as their primary objective the relief of human pain and suffering at a time of acute distress.

Through the experiences of these years some of us appreciate the fact that such activity furnishes a possible field wherein may operate in fullest co-operation all three branches of missionary effort—evangelistic—medical—educational. Relief effort, prompted by the right motives of Missionary zeal, is an interpretation in living terms of the Gospel of the Son of God Who Himself spoke so eloquently through a ministry of living deeds.

Ministering to Bodily Needs

Though some missionaries have professed, themselves sceptical as to the lasting value of relief work and have stressed the dangers and difficulties of those who engage in it, yet in the hour of acute distress their reasoned judgment has been submerged by the surge of compassion and they have found themselves swept into the current of relief ministry to bodily need. My mind goes back as I write to a certain mission station in the far interior where on a glorious Easter morning the service of God's House had to be suspended whilst all the resources of the missionary's food supply were laid under levy to provide a partial meal for the congregation, composed of many who were literally dying of slow starvation in one of the worst famines that has ever visited north-west China. At such a time it seemed a mockery to attempt a spiritual ministry, without supplementing with a temporal ministry, to brothers and sisters "naked and in lack of daily food." We came to China with the urge of a great impulse to "preach Him" among the heathen. And as our Perfect Example, so we shall often find—and I write this most reverently—our most effective preaching is done in terms of deeds rather than words. In this connection what field of service more rich in opportunity than that in which the relief worker labors? Spiritual and moral dangers abound but surely no work built on a sound spiritual basis need fear a time of stress and testing. It is not my purpose to stress these dangers, which will readily suggest themselves to the minds of my readers who may have had experience in relief work. They will be successfully encountered as those who face them live in spiritual power and are prompted by a wisdom which is God-given in answer to prayer. Concerning the difficulties and opportunities I offer the following thoughts.

Three Classes of Relief Work

Relief work falls under the three headings—emergency, rehabilitatory and preventive. It is in connection with the first two that missionary aid is largely engaged. Because of the confidence inspired in the public mind the missionary is often called upon to dispense emergency relief which has been contributed by all classes of society, representing all shades of religious thought. The gifts are prompted by a purely humanitarian impulse in a desire to save life. They constitute public trust funds and their use should be in the strictest accord with the donors' wishes. Thus, whilst the responsibilities are heavy, nevertheless, the compensation lies in the enlarged field of service and the sphere of wider contacts in which the missionary finds himself. The field is not limited by the bounds of Church membership.

Emergency relief is without doubt the most difficult form of famine relief work and calls for a very high standard of moral and physical courage. The worker must have a cool brain, a warm heart and a steady nerve. His problem is how best to meet limitless need with limited resource. This is the problem most dreaded by all experienced relief workers for its only solution lies along the line of selection in order to reduce the distressed constituency within the necessary limits for the accomplishing of the desired task for which the funds were donated, namely "saving life." No effective good is accomplished through an indiscriminate distribution of available supplies to all who are in need—dire though that need may be—if such distribution only results in staving off for a short time death from starvation. Wherein lies the kindness in bringing back to life and hope the sufferer who has already passed through all the early agonies of the process of death by starvation if such an one has eventually to be abandoned to death? Thus a selection is absolutely necessary and the agonizing strain of this experience can only be experimentally appreciated. To be forced into a situation where you have to select a number of fellow creatures to be preserved unto life, with the sure knowledge that many of those to whom you are compelled to refuse assistance are as veritably condemned to death as though they had passed under the sentence of the law, is an experience to be dreaded. I know no greater strain than that consequent upon an outpouring of sympathy in the face of the appreciation of one's inability to aid.

The Black Hill Court

But when the selection has been made and the organization of the camp, or food kitchen, established, a very rich field for evangelistic effort is open. With the strain relieved the relaxed mind of the sufferer becomes most receptive. Here then is a field of ample scope for the work of the evangelist, the medical worker and the school teacher. I remember paying a surprise visit to a large relief camp in company with a visitor of international reputation. The camp was a well organized one in which the burden of the work was carried by missionaries and Christian workers. In one large mat shed the occupants, consisting mainly of women and children, were busily engaged in conning lessons from booklets which on investigation proved to be abridged Christian catechisms. That our visit was entirely unexpected was evidenced by the fact that during our tour of the camp we did not meet a single missionary or leading Chinese worker. Experiences in the Black Hill Camp in the Wuhan district during the months of last winter furnished ample evidence as to the possibilities of missionary venture in the fields of relief work.

Effective Relief Work

So much then for the enlarged scope for direct missionary effort in relief work. Just a few words with regard to the sphere of wider contacts for Christian influence. Quite recently my attention was drawn to a report compiled by a foreign Government official in which much emphasis was laid upon the noticeable decrease of anti-foreign and anti-Christian feeling in a certain city in the interior. The report credited this result, in large measure, to the relief work in which the foreigners, largely missionaries, had played as large a part. This experience has been duplicated in many parts of China during recent years. In 1930 it was my happy experience to be the steward of a gift from friends in America to the starving people in the north-west. By the fund we were able to maintain about one hundred thousand people through the most terrible months of acute food shortage during that year. These people wouldo otherwise have died from starvation. The pestilence which accompanied the famine had been responsible for a very heavy toll of life during the previous year. This toll included some twenty missionaries of Protestant and Catholic societies, who contracted the fell disease during the course of their relief work. Besides these a number of others who got typhus recovered. This sacrifice made a profound impression. At a great public meeting organized by the Tangpu in the provincial capital, and reported in the Tangpu paper, the Chairman of Tangpu, which had been so actively anti-foreign and anti-Christian during the previous two years, concluded his speech with the following thought, "It is such demonstrations as this which interpret to us in terms we can understand such truths of the Christian faith as 'God is Love.'"

A New Battle-Cry for Missions

(*Literary Digest, Oct. 22*)

THE Great Missionary Enterprise of the Protestant churches is at the crossroads of destiny, according to a two-year survey of its results in the Far East.

Some of the findings will startle, if not aggrieve, missionaries no less than complacent boards.

The years have altered the scene; new forces come marching over the horizon; Christian tactics change.

Christianity must no longer make quarrel with the other major religions of the East.

It must make cause with them against a common foe—the materialism of which Marx, Lenin, and Russell are the arch-priests.

It must no longer make appeal for heaven through fear of hell. It must promote heaven here on earth instead of deferring hope beyond the grave.

The "heathen Chinee," to borrow a phrase no longer current in hymn or prayer, is not eternally damned because he knows not Christ. He is one of God's children, too.

As a world religion, Christianity must dissociate itself from the culture and history of the West. What has the West done that it should be the teacher of mankind?

Finally, the missionaries themselves, most of whom are of limited worth, must be raised to the standard set by the task. They must be loyal to the Cross rather to a creed.

These, in brief, are the findings of the Appraisal Commission of the Laymen's Foreign Missions Inquiry, whose report, after two years of investigation on the ground, is now being published in instalments in the press. They are announced by Albert L. Scott, chairman of the inquiry.

Probably the most thorough and sweeping investigation of the kind ever undertaken, its results will be pondered in every Protestant church and by every Protestant board of missions.

The inquiry was sponsored by laymen of seven leading Protestant denominations: Presbyterian, Dutch Reformed, United Presbyterian, Methodist Episcopal, Congregational, Protestant Episcopal, and Northern Baptist. The chairman of the Commission, which consists of fifteen prominent churchmen of the various denominations, is Dr. William E. Hocking of Harvard University.

Prior to sending the Appraisal Commission abroad, the Institute of Social and Religious Research sent, late in 1930, a corps of research workers to the three Far-Eastern fields under the supervision of Galen M. Fisher, General Director. The group in China was headed by Dr. H. Paul Douglass; that in India by Dr. C. Luther Fry, and that in Japan by Dr. Harvey H. Guy. The facts collected by these research workers are now embodied in five volumes of printed material, not yet published. With this material in hand, the Appraisal Commission left the United States in September, 1931, and spent nine months in studying conditions in India, Burma, China, and Japan.

So much for the scope of the investigation and its importance in the future of the enterprise which girdled the earth before trade had charted its routes.

To begin with, the Commission finds the undertaking is now in peril from indifference and failing subscriptions. Yet, because it is a valid task of love, it must go on.

But "there is no ground for a renewed appeal for the support, much less for the enlargement, of these missions in their present form and on their present basis. In our judgment," says the Commission, "there is not alone room for change, there is necessity for change, in respects which our report will indicate; and the effecting of such change should be the condition for every further enlargement of the enterprise."

Because of the growing hostility to all religion, the task of Christianity, the Commission finds, is not to argue with Islam, Hinduism or Buddhism but with materialism, secularism, naturalism. "It is no longer, Which prophet? or Which book It is whether any prophet, book, revelation, rite, church, is to be trusted." The chief foe of these oracles, we are told, is not Christianity, but the philosophies of Marx, Lenin, Russell. Therefore, "it is clearly not the duty of the Christian missionary to attack the non-Christian stems of religion. It is his primary duty to present his conception of the true way of world changes life and let it speak "for itself."

World Changes

Vast changes have come over the life of both the East and the West in the last hundred years, the Commission finds, and three of these are peculiarly pertinent to the mission enterprise: an altered theological outlook, the emergence of a basic world culture, the rise of nationalism in the East.

The theological change, of course, bears most directly upon the missionary motive.

The fear of hell has given way to a happier conception of destiny. Christianity has, generally speaking, shifted its stress from the negative to the affirmative side of its message; it is less a religion of fear and more a religion of beneficence:

"It has passed through and beyond the stage of bitter conflict with the scientific consciousness of the race over details of the mode of creation, the age of the earth, the descent of man, miracle and law, to the stage of maturity in which a free religion and a free science become inseparable and complementary elements in a complete world-view.

"Whatever its present conception of the future life, there is little disposition to believe that sincere and aspiring seekers after God in other religions are to be damned: It has become less concerned in any land to save men from eternal punishment than from the danger of losing the supreme good."

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Turning to the emergence of a world culture, the Commission finds elements of democracy and of belief in general education in every nation. In problems of livelihood, production and distribution, the statesman and the economic scientist join forces, seeking principles of world-wide application. With all the old impediments to travel and communication gone, there is no important idea which is not now an item of world-knowledge, including the knowledge of the Gospel.

Hence the old question why the missionary need leave home to convey his message.

While the rise of nationalism in the East is no longer hostile to the spread of world-culture, and may even be a phase of that movement, it is a reaction against Western domination and cultural control. Hear some of the leaders crying out for a return of their local gods, philosophies, arts, literatures.

Under these circumstances, the connection of Christianity with Western life has its disadvantages. So—

"For the sake of securing for Christianity a fair hearing, it is necessary to separate it, as far as possible, from our history and our promoting agencies, and to present it in its universal capacity.

"It is incumbent upon us to acknowledge, without blindness to the special problems of Asia, our common need of salvation, the common trend toward paganism and religious indifference, an incomplete grasp of our own faith in matters affecting individual and social conscience, our common need to confer in the search for a deeper and more persuasive view of religious truth."

The seven denominations represented in the survey have 10,000 missionaries in the Far East. What of them and of the thousands of other cohorts of Christ engaged in a war that has no November 11?

Many are of conspicuous power, true saintliness and devotion, says the Commission. But "the greater number seem to us of limited outlook and capacity; and there are not a few whose vision of the inner meaning of the mission has become obscured by the intricacies, divisions, frictions and details of a task too great for their powers and their hearts."

The initiative of calling missionaries would be left to the churches in the mission field, and, says the Commission: "Only persons of the highest quality, fitness, and tested ability should receive the approval of the sending boards."

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A "Whispering Campaign" Against Foreign Missions

Churches in Springfield, Missouri, are giving more

than $20,000 to foreign missions and only about $2,000 "from their treasuries" to the community chest.

That was made the basis of what is described as a "whispering campaign" against foreign missions, the complaint being that such contributions are sorely needed at home in support of local charity relief.

But, reports *The Presbyterian Banner*, it was pointed out that churches do not usually contribute to the community chest as churches; rather the members give as individuals, and their contributions in any city are a large major part of the total contributions to such communal charity.

As the pastor of a Presbyterian church which gave nearly $5,000 to foreign missions is quoted by *The Presbyterian Banner:*

"We don't send money over there to have it distributed as charity among foreigners. Foreign mission funds are used for the employing of a great group of men and women to carry the Gospel outside of America. The money goes to salaries to American citizens laboring abroad, just as other sums go to workers in national missions here at home. If we should withdraw foreign mission support in our Church, we should simply throw 1,600 American citizens out of work."

Laymen's Commission Urges Centralization of Educational Efforts

The following are some of the recommendations made regarding mission schools in China, Japan and India, contained in an instalment of the report of the Appraisal Commission appointed by the Laymen's Foreign Missions Inquiry to examine and recommend concerning the future plan and scope of foreign mission effort in the Far East (referred to briefly on page 472 of The Review of Nov. 12.)

"Mission schools and colleges in all countries were originally regarded as means of evangelizing and of training leaders for the Church. Enlightenment and Christianity were considered inseparable if not synonymous.

"These schools use approximately one-half of the money and occupy one-half of the personnel of the entire mission enterprise as well as of that portion carried out by the seven boards engaged in this survey.

"The secondary schools may be considered as at present the most vital element in the educational system. Of 11,338 middle and high schools in India and Burma (1926-27) 937 were mission schools. Of 1,339 schools of corresponding grade in China, 196 were mission schools (1930-31). Of 1,471 in Japan, 54 were mission schools (1931) These 1,187 mission schools constitute roughly nine percent of the total number of secondary schools here listed. Their 236,000 pupils are approximately eight and one-half percent of the total number enrolled in all these schools.

"It is clear, however, that the striking developments in national education in the Far East must tend in some respects to diminish the relative importance of mission institutions, an expected change which is in no small degree a measure of their own success.

"Likewise with the changes, slow or rapid, that are occurring in the social fabric of Oriental states, and which will amount in the end to revolution. The outcome will be neither the ancient order nor a reduplication of western culture. The types of education which have hitherto suited western states can hardly be presumed of final value for the coming Orient.

Peoples Seeking Guidance

"It is not clear, therefore, that in this period of groping for new adjustments, the mission schools and colleges, whose methods and outlook are still in the main, distinctively western, will be able without change to contribute largely to the needed leadership. We have found these peoples seking guidance not always, but chiefly elsewhere.

"Many of the cultivated non-Christian Indians we met were graduates of mission schools. They spoke in the main with affection and gratitude of their schools. At one point the gratitude of the graduate commonly ceased. That related to the enforced attendance at daily chapel and the daily Bible study classes. This element of necessity, even though it was a well-understood and accepted condition of membership in the school usually left a note of resentment, especially when the teaching was joined with disparagement or ignoring of the religions of their homes. The time for this type of requirement has passed. The religious life of the school should be a privilege offered, not a duty required.

Japanese Schools

"The impression becomes clear in respect to Japanese schools, that as a country reaches the stage in which Christianity is simply accepted as one of its own religions, the mission school is less and less the primary source of Christian teaching and thought. Her own Christian sons and daughters, carrying on their own schools or leading their lives with their own professions and callings, become the chief interpreters, unembarrased by the sense of special position and office. The signs seem to us to call, on the whole, not for more expenditures in these schools, but for the beginnings of a prudent and considerate withdrawal of our participation in them.

"It is evident that the Chinese mission schools, while adapting themselves slowly to the new situation created by the Chinese Revolution, are doing comparatively little to respond to the new tasks which China as a whole is undertaking. It is an unparalleled opportunity to aid in a vast and critical national transformation.

Lack of New Thinking

"One part of the difficulty is the lack of new thinking about the relation of Christianity to the special problems set by Chinese life. The doctrinal formulae of a past generation are not related by any living spirit to the needs of pupils.

"Another part is our disunity. The 30,000 pupils of Christian mission schools in China are divided among scores of denominations, each school managed by its own mission. Further, that mission is not made up of teachers and educational experts: 'it actually consists of evangelists, doctors, teachers, usually a majority of women—wives of missionaries, and single women. They are supposed to pass judgment as a body, and that body is not qualified to deal with matters of education. Their thinking is in terms of the activities of their own mission.'"

General Recommendations

The Appraisal Commission makes the following general recommendations as to mission schools in the Far East:

"I. That where missions are conducting schools, the aim of these schools should be primarily education, not evangelization, and that teachers and administrators should be chosen with this standard in view.

"II. That mission schools in all Oriental countries co-operate in good faith with governments in their efforts, through conscience clauses or through agreements in registration to protect the religious liberty of their citizens; and to this end,

"That non-Christian students be not required to attend Christian services of worship or Bible classes. This does not mean that religious services or classes for all students need be omitted, but that they should be carried out in a tolerant and sympathetic spirit.

Centralized Home Board

"III. That religious education and worship in the schools be reorganized under expert guidance to the end that they may have vital relationship with the problems and lives of the pupils, and that only teachers specially qualified for this work be responsible for this part of the school program.

"IV. That a Board of Specialists be established at home, maintained by united action among denominations, advising a united enterprise in Christian education abroad, and keeping in mind the special and changing needs of the Oriental peoples.

"A large responsibility for the future of Christian education in the East rests upon the mission boards and agencies at home. Only by the most genuine cooperation at home can these problems abroad be met, and the strongest teachers be enabled to serve as Christians would wish to serve."

The Tribulations of the China Merchants' S. N. Co.

The China Merchants' Steam Navigation Company, which was started shortly after the American Civil War with sidewheeler boats originally built for the Mississipi trade, belonging to the American firm of Russell & Co., (said firm having gone into bankruptcy) is once more in the limelight. For the past decade the C. M. S. N. Co. has been losing money heavily—the losses during the past year are placed at $1,150,000.—and its properties are heavily mortgaged to the National City Bank and the Hongkong & Shanghai Bank. The really tangible assets which the company has are five large wharf sites in Shanghai, all strategically located, two of them lying in the International Settlement, two across the river at Pootung, and one in the French Concession. The Company has extensive wharfage property at other ports, and also a large fleet of steamers, but these are badly out of date and not economical working. One of the difficulties that the China Merchants has had to contend with is that frequently its steamers have been commandeered by the military authorities for the transport of troops, and mostly without payment. For the past several years there has been a conflict between the private shareholders of the Company and the National Government for control and this conflict has now reached the point where Li Kuo-chieh (Marquis Li), general manager of the company, has been detained by the Bureau of Public Safety by order of Dr. Chu Chia-hwa, Minister of Communications.

Marquis Li stands at the head of the shareholders, who bitterly oppose the management of the company being taken over by the Government. Both sides have frequently charged that the difficulties of the company are due to the faults of the other side, the shareholders claiming that the Government has "interfered," and the Government claiming that the private management has been incompetent. Marquis Li claims that the assets of the company amount to sixty million taels and that its liabilities are only 17 million taels.

Marquis Li Arranges Loan

During the latter part of last week Marquis Li, on behalf of the China Merchants issued a statement that the control of the Lower and Eastern Wharves had been transferred to the China Realty Co, an American firm, under a lease arrangement and also that the China Realty had been appointed agents for the Yang-Ka-du wharf at Pootung. This announcement was issued at about the same time that Chu Chia-hua, minister of communications, stated in Nanking that the agreement of the C.M.S.N. Co. and the China Realty Company "could not be considered legally valid" since the Ministry had not sanctioned it.

The arrangement with the China Realty Co., according to the announcement made by Marquis Li, rests on a an agreement entered into between the two parties on Sept. 5 and 6 whereby the China Realty Co. loaned $30,000,000 to the China Merchants, to be repaid in 20 years. Incidentally also three of the five wharves belonging to the company were leased to the China Realty for an annual sum of Tls. 300,000. The other two wharves are to remain under the control of the China Merchants. According to the proposed arrangement a separate wharf company is to be formed between the China Realty Company and the China Merchants with a capital of Tls. 2,000,000. Part of the loan secured through the help of the China Realty Company is to be appropriated for the purchase of 30 new steamers. Various outport properties have been pledged as security for this loan. By virtue of the agreement, it was reported in the daily press that the Dollar Company is to purchase ships at a commission of 12.5 per cent; before the loan is cleared, the American flag is to be flown at the stern of each vessel. These new vessels and the staffs are also to be put under the supervision of the Dollar Company, A portion of the gross receipts of the vessels is to be retained by the China Merchants to defray the expenses of the concern, while the remainder, the report continued, is to be paid to the Dollar Company for the loan. Under the new agreement, the Dollar Company and the China Merchants are to effect a through-traffic service. All the freight carried by the Dollar steamers from abroad for China's inland ports are to be transferred to the China Merchants steamers, while inland goods for abroad are to be reshipped from the China Merchants steamers to the Dollar liners. O. G. Steen, general manger of the Dollar Company in Shanghai, is quoted by the *China Press* as stating that the Dollar Company had not signed any agreements or contracts, but at the same time the Company would be interested in securing leases on some of the lower wharves

This is briefly the situation as it stands at present, Whether in the end the control of the company will pass into government hands or whether the arrangement as made with the China Realty Co. will stand, remains to be seen. So far the National Government, as represented by Chu Chia-hua, the Minister of Communications, and T. V. Soong, Minister of Finance, takes the position that under no circumstances will the the wharves of the company be permitted to pass to foreign control or management.

The resolution passed at Nanking last week provides that the Government is to take over, by cash payment, all shares of the Company at the rate of taels 50 per "set," (lots of three shares) which is about 40 per cent. higher than the average market value during the past three years, namely, about thirty taels. To such an arrangement Marquis Li strenuously objects. When Marquis Li was taken into custody the heads of the various department of the company resigned in bloc.

The object of the Government is to succeed to all the rights and obligations of the C.M.S.N. Regarding the new system of administration, a General Manager and Boards of Directors and of Supervisors have been appointed to replace the former Special Commissioner and the so-called Organization Committee. The organization of the Company will, according to *Kuo Min*, thus conform to that prescribed in the Chinese Company Law.

The National Government has appointed the following officers: General manager, O. S. Lieu; standing committee of the Board of Directors: Messrs. Churtong Yih, O. S. Lieu, Sze Liang-tsai, Chang Shu-yung, Chang Kiangau, Tu Yueh-sun, Yang Ying; Directors: Messrs. Hu Pi-kiang, Li Ming, Wang Shao-lan, Chien Hsing-tse, David Z. T. Yui, Chang Hsiao-lin. Supervisory Board; Messrs Lu Hsueh-fu, K. P. Chen, Yu Ya-ching, Hu Tsu-tung, Chen Tsu-tse, Yung Tsung-ching, Wang King-yung, Kiang Ting-sun, Kwok Sun.

The new officers formally took over the administration of the Company on November 14. The Government's action as regards taking over the company is the result of a joint recommendation submitted by T. V. Soong and Chu Chia-hua, in their capacities respectively as Minister of Finance and Minister of Communications, who pointed out the desirability of converting the Company into a purely State enterprise. Messrs Soong and Chu recommended that the funds required for the purchase of the shares should be raised by the Ministry of Finance.

T. V. Soong Issues Statement

In explanation of the action of the Government in purchasing the China Merchants Steam Navigation Company, and appointing leading business men to manage and direct the Company, T. V. Soong, Acting President of the Executive Yuan, in a statement made at Nanking Nov. 14 said the Government could not look with unconcern on the steady drifting of the Company into insolvency, with the consequent loss of its valuable wharf and godown sites, to foreign interests. Since the Company had completely failed to serve the rapidly growing transportation needs of the country, and had not even been run in the interests of the shareholders, the Government, desirous of making a clean sweep of the rank corruption and mismanagement which has made the name of the China Merchants S. N. Co. a byword of scorn, and actuated by the desire to promote the expansion of national shipping, the Government, Mr. Soong declared, had decided to take over the Company, giving the shareholders fifty taels a share for what is selling in the open market for around thirty taels. In embarking on this undertaking the Government, Mr Soong said, is not influenced by any desire to make profits out of shipping. On the contrary, in view of the present depression in the shipping industry, the time it will take to completely eradicate the corruption and abuses of the old management, and the necessity in the interest of the State to operate on routes that are not commercially profitable, profits could not be expected for for many years to come, if at all.

The new Administration, with O. S. Lieu, prominent Shanghai financier and industrialist, at the head has been instructed by Minister Chu to conduct detailed investigations into the loan agreements which Mr. Li signed. Whether these agreements will be upheld or nullified will depend upon the outcome of the investigation, pending completion of which, Mr. Li will be kept under detention for his allegedly illegal measure.

(Continued on page 537)

The Russo-Japanese Non-Aggression Pact

BY C. Y. W. MENG (孟昭彝)

IT IS a strange coincidence that right after the publication of the Lytton Report—which certainly had "disgraced" Japan to some extent when it stated that the Japanese military action on the night of September 18 "can not be regarded as a measure of legitimate self-defence" and that the "present regime can not be considered to have been called into existence by a genuine and spontaneous independence movement,"—the rumor of a possible formation of a Russo-Japanese Non-Aggression Pact runs rife. If our memory does not fail us, we remmeber when the Japanese delegate to the Geneva Conference was in Moscow on his way back to Tokyo, it was Moscow who proposed to Japan to conclude a non-aggression pact. But it was Tokyo that answered that such pact was considered "unnecessary." But now it is Tokyo that proposes, and is anxious, to conclude a non-aggression pact with Russia. Mr. Matsuoka, Japanese envoy to Geneva, who is now in Moscow, is said to have postponed his date of departure to Geneva in order to continue his conference with the Russian Foreign Office.

Up to now (November 12) in spite of Japanese "wooing" for an understanding and a non-aggression pact with Russia, no definite conclusion has been reached. The *Reuter* report from Tokyo dated November 9 stated that the Soviet considers the questions of signing a non-aggression pact between Japan and Russia and of the latter's recognition of Manchukuo as being indissolubly linked together and consequently will not agree to settle one question without a simultaneous settlement of the other. Despite Tokyo's explanation that the two questions are entirely separate matters and that such pact should be made on its merits without any extraneous *quid pro quo*, it is apparently not of much effect.

Japan Again Takes German Diplomacy as Model

If we have studied German history, we know, despite the fact that Austria was always considered as a great rival to Germany, when Germany intended to go to war with Denmark over the "Schleswig-Holstein Affair," she had to politely ask Austria to cooperate with her. When the Danish King refused to grant any concession, the two giants jointly declared war against one pygmy, who was of course badly defeated. But what was the result? Did Austria enjoy the spoil? Prussia declared war against Austria only two years later! By the battle of Sadowa, Germany eliminated her rival!

In other words, in making friends with Austria, Germany was solely animated not by mutual understandings and goodwill, but rather by the "necessity of the situation" of making friends with one against the other. As soon as such necessity is over, the friendship is ended, the old rivalry is revived, and they start to fight and to kill among themselves.

This is exactly what Tokyo is doing towards Russia! That Russia and Japan are great rivals goes without saying. It was due to this rivalry that they once fought bitterly at the beginning of the present century. At present Japan is fighting against 30,000,000 Chinese in the Chinese Eastern Provinces. As the recent results of fighting have turned out they are by no means favorable to Japan. Most of the neutral observers on the spot have already come to the conclusion that it will be almost impossible for Japan to deal with the Chinese volunteers, who by adopting the guerilla form of fighting have many advantages over the invaders. This fact, together with the fact that world public opinion is now being mobilized and proves quite unfavorable to Japan as a result of the publication of the Lytton Report, has made Japan hesitate to solely employ military forces to cope with the growing situation.

Furthermore, Japan has two neighbors—China and Russia. At present, Japan is fighting with China. Japan is under "necessity" to join with the other, sinking, at least for the time being, all the past differences, and forgetting the old rivalry and conflict of interests, and in return hoping that such joining hands with Russia would eventually create a favorable situation for Japan in her relations with China and America. That explains why Japan recently has spent so much effort in trying to have a non-aggression pact with Russia.

By conclusion of this pact with Russia, Japan has had two chief purposes in mind: First, to utilize Russia to create a better situation for Japan; and to bind the hands of Moscow to let Japan have a free hand in Manchuria.

But remember what Russia did to Austria after having jointly defeated Denmark! As soon as Japan succeeds in taking Manchuria (asuming it would be the case) would Japan honor such pact? Would Japan remember the benevolent Russia? Japan has trampled under foot many of the international treaties, such as the League Convenant, Nine-Power Treaty, the Kellogg-Briand Anti-War Pact, etc; there would be no wonder if Japan would also trample under foot the Russo-Japanese Non-Aggression Pact. After the necessity is over, Japan would be ready to revive the old rivalry with Russia, and we would see Japan going to war with Russia with the intention of killing her to assume her supremacy in the Far East!

Japan Not Bona Fide

Whether Russia would fall into the tricks of Japan, or has already discovered the tricks of Tokyo, we do not know. But it is with certainty we point out the fact that Japan is not *bona fide* in proposing to conclude the non-aggression pact with Russia; and in proposing so, she must have some intention in mind to utilize Russia today in some way to enable Japan to pass the present crisis, but has no intention of observing it when the crisis or necessity is over.

It is pointed out by some journals that in proposing to conclude a pact with Russia, Japan must have attached some conditions, such as the recognition of Manchukuo by Russia, the purchase of the Chinese Eastern Railway by Japan, restraint from spreading communism in Japan by Russia, etc. But to our mind, this is not likely, for Japan's chief purposes, as pointed out, are to let the world know that Japan and Russia have joined together, for this would have the very effect of putting an end to the parleys and effect of the restoration of diplomatic relations between America and Russia, and between China and Russia. Secondly, by signing the pact, Russia's hands will be bound while Japan will have a free hand in Manchuria. Japan is probably willing to make whatever promise she could in exchange for a non-aggression pact. So when Moscow said that the questions of signing the non-aggression pact and the recognition of Manchukuo by Russia are linked together, Tokyo replied at once that the conclusion of the pact requires no "quid pro quo"!

Whether such pact will eventually be concluded, it is too early to say. But it is with certainty we point out that so long as the Japanese military actions are not ended in Manchuria, and the Japanese forces are not withdrawn from Manchuria, Russia would always consider Japan as a great menace to her. Russia is always in constant fear that once Japan is allowed to devour Manchuria, not only would Russian interests in Manchuria be jeopardized, but the Russian Siberian territory and Outer Mongolia, etc., would be the next prey to fall into the hands of the Japanese aggressors. So we believe, men like Litvinoff and Karakhan are all sober-minded, and would not be so foolish to conclude such pact with Japan, which would only help Japan to consolidate their position in Manchuria and to encourage Japan in her opposition against world public opinion and the decisions of the League. In the interest of Russia herself, the Russian policy should be to cooperate with some one to put an end to the Japanese activities in Manchuria, thus removing one great menace to her, without resorting to open hostilities with Japan.

Mr. Ariyoshi's "New Proposals"

In this connection, it is interesting to note that Mr. Ariyoshi, the Japanese minister to China, is now back in Tokyo to explain to the Tokyo Foreign Office about the actual situation in China and to exchange views with the officials. The minister is said to carry with him a number of "new proposals" which he intends to put before the officials in Tokyo.

First, the minister is said to have voiced his strong "opposition" to the further invasion of Jehol, pointing out the fact that further invasion would only have the effect of arousing the nation-wide opposition of the Chinese against the Japanese, and that it would leave no more diplomatic action for Japan to take.

Secondly, should the Japanese military activities be extended, both America and Great Britain would no longer be acquiescent, and the League will necessarily have to interfere.

Thirdly, when the military activities are extended, they necessarily involve more expenditures, which are

beyond the ability of the Japanese at home to bear.

Based upon these three reasons, the Japanese minister to China is said to have pleaded for a "change of tactics and policy." He proposed to adopt more political ways to solve the Jehol situation. Instead of "down with Chang Hsueh-liang," as advocated by the Ministry of War, he proposed to seek some understanding with Chang Hsueh-liang, promising him to maintain his position in the North China but conditioned upon his promise to give up Manchuria. Jehol, instead of being invaded and occupied, should be made a "buffer state," and at the same time, Japan should devote full efforts to the development of Manchuria. The Japanese minister pointed out that "only after a few years" both Jehol and North China would be Japan's. He further suggested that Japan should, on one hand, openly support General Chiang Kai-shek's government in his efforts to unite the country. But on the other hand, Japan should lend assistance to the reactionaries to prolong the civil war in China. The minister is said to have admitted that it is impossible to make General Chiang open direct negotiations with Japan over the Manchurian situation, but it is possible to make him cool in his attitude towards the present situation and to suppress the Chinese anti-Japanese activities. He is quoted to have said that it would be of great benefit to Japan if the negotiations would last longer, for Manchuria is now already in the hands of Japan. In this way, it is pointed out by the Japanese minister, it is not only a great relief to economic stringency in his country (Japan) but it would also be more agreeable to the League of Nations.

Another Chinese report has it that Mr. Ariyoshi, in his interview in Tokyo, made the following statement:

> "While Japan is now very much worried over the attitude of the League, etc., China is very calm. China is getting on alright. Things are all in right tracks. Though the communistic activities are gradually extended, General Chiang's forces are sufficient to suppress them. Though civil wars are going in China, she is nevertheless presenting a united front against the outside people. This is a fact which we should not overlook. The Japanese policy of the past two cabinets toward China is 'mutual existence and mutual glory.' When I was talking with the Chinese leaders and public, they all agree with me in hoping to stop the useless fighting and resistance. So in discussing the present situation, the attitude of both should be one of calmness."

Undoubtedly, some Japanese have already discovered the futility of employing military force to conquer China and have advocated a change of policy, by resorting to diplomacy. We know that in dealing with the League, Japan would do whatever she could to convince the League to leave the Manchurian situation to be settled by means of "direct negotiations" between China and Japan alone. In dealing with America and China, Japan intends to use one stone to hit two birds at the same time—that is, by the conclusion of the Non-Aggression Pact with Russia. But as pointed out above, the success in this direction is much doubted.

Nanking Nov. 12, 1932.

Provincial Authorities Criticized for Selling Opium

The authorities in Kiangsu, Kiangsi, Anhwei, Hupeh, Hunan and other provinces are being strongly criticized by the National Anti-Opium Association in recent public statements charging the various provincial governments with permitting the public sale of opium in their districts.

No matter what explanation the governments may make to the public, it is an undeniable fact, the statement pointed out, that numerous offices have been established in their domains giving open protection to the transportation, sale and the consumption of opium for the purpose of realizing revenues.

The members of the Control Yuan were reminded of their duty to the nation by the statement which actually called upon them to fulfill their responsibilities by duly checking the illegal actions on the part of the provincial authorities.

Narcotic Seizure in French Concession

Morphine, heroin, opium and other narcotics, worth several thousand dollars were seized by French police following a raid on a secret red pill manufacturing center in a house on Ying Chung Lee, Rue Ratard, French Concession, Shanghai, on the morning of Nov. 10.

China Holds Key to World's Economic Recovery

BY DOROTHY MOLL

THE League of Nations is about to begin its usual effort of trying to please everybody and it is reasonable to believe that the result will be the one to which we have grown accustomed. After deep and prolonged rumblings the mountain will bring forth the time honored mouse.

Many months spent in diligent effort and careful research have failed to produce the slightest evidence of a breach of faith or lack of goodwill on the part of China. With the tolerance and generosity common to great people and great nations she has ignored the effort to belittle her intelligence and her power.

It is a most inauspicious moment for the nations of the world to criticise or pass judgement either upon the Chinese Government or upon the conditions of the Chinese people. It will be very difficult to find among the countries of the world the shining example of moral rectitude, political strength and financial integrity fitted to impress China with a sense of her shortcomings.

Intense effort by an interested party has finally produced the charge of a weak government coupled with banditry and corruption. On these negligible charges the first efforts for the disintegration of the Greatest Eastern Power will be based. The undertaking will hardly be a successful one.

It would be impossible today to find a Strong Government in the actual sense of the word in any country of the world. The past year has seen many radical changes in every European Government as well as in practically every State of the South American continent. Government, and officials have been changed time and again with no appreciable results for betterment.

One government after another declared a moratorium, in other words defaulted. Wars, inflation, mutiny, strikes, hunger marches, political murder, increase of crime and a seething political unrest has been the record of the Strong Governments. From the majority of these disturbances the Chinese people have been saved through the sober forethought of their government and their own integrity and good sense. There are always excellent grounds for criticism but it must be constructive and not that of the unthinking and untrained mind. The cruel and inhuman details of the 'abduction' of the Lindbergh Baby are without parallel in any country of the world, and the sordid financial intrigues that accompanied it would cause any honest Chinese bandit to blush with shame.

I do not know if there has been any recent statement compiled of the entire number of public officials, state and local, convicted of corruption within a given time, in Europe or the United States, but I do know that the items if totaled would be disagreeably large in number and make most unpleasant reading.

In any government there are small centers of corruption, but they are few and not enduring, since corruption in any form carries within it the germs of its own destruction.

It is absurd to talk of the financial difficulties of the Chinese Government. The political leaders of every country know and frankly say, that their future, as far as the foreign markets are concerned, lies in China and nowhere else.

Europe is clogged with overproduction as is the case with the entire Central and South American markets. The majority of these countries are barricading themselves behind tariff walls that will one day form their coffins.

China is buying goods which she could produce herself, but with great foresight she has not mistaken the symptoms for the disease, but has early recognized the fact that every national economy rests upon the same principle; export as much as possible and import goods of every description. There is hardly a section of any country in the world that does not sell something to China, and for this reason neither her territorial nor her political rights are in danger, let alone her financial power. For a country of the immense and rich resources and the thrifty, hardworking and intelligent population that China possesses, regular and dependable credits are always available. It speaks well for the sound mentality of the Chinese Government that they have embarked on no adventures with money belonging to other people. China is immune from actual financial crisis and can adopt an optimistic outlook. The world is interested in trade and in world economic revival. China holds the key to the economic future of the world. Present a united front to all attacks and think Chinese!

Unity and Division of China as Reflected in the Japanese Mind

(From the Review's Tokyo Correspondent)

(Summarized translations from various Japanese publications)

THE independence movement of Tibet has since the beginning of October been reported in detail in leading Tokyo and Osaka papers side by side with the new developments within China Proper, but unlike similar occasions in the past the leading dailies give little or no comments on the affair, probably overshadowed by the frantic fuss about the Lytton report, League and Manchukuo. Notwithstanding the half-interested attitude of the dailies, the two magazines in Tokyo, *Kaizo* (*Recreation*) and *Chuo Koron* (*Central Roview*), veritable leaders in Japan's magazine world, give special prominence to their articles on the subjects.

By closely following the daily news on the subjects I gathered from the *Tokyo Asahi*, *Tokyo Nichi-Nichi* and *Osaka Mainichi* those worthy to be called criticisms, as translated below:

Tokyo Asahi, October 26: Immediately following the return to Europe of the Lytton Commission, disturbances in China broke out in succession and it now faces collapse. In spite of this reality the Nanking Government still maintains its firm stand against Japan in regard to the Manchurian issue, adhering to the hereditary measures of "attacking the near and befriending the far." The British influence has in the meantime been developed to Tibet over the Himalayas, to occupy the whole of Tibet and adjoining provinces, instigating the Dalai Lama, while on the northern frontier Outer Mongolia has fallen into the firm grip of Soviet Russia, which plans to establish her power in a central part of China Proper by means of communism.

Tokyo Nichi-Nichi, October 7: The plateau of Tibet, which has long kept itself intact from the main current of modern civilization, has at last been thrown into the vortex of disturbances, although the movement may not draw the world's attention half so much as those of Manchuria or South America. Yet, the fact that British evil influence dexterously constitutes the back-ground of the uprising contributes a timely material for discussion to the League of Nations. As there is no unnatural or contradictory element in the birth of Manchukuo in that it is the result of the spontaneous self-determination of the inhabitants in the north-east, so there is little wonder that the south-western extremity where no authority of the Central Government reaches should stand up to form a free state out of self-determintion of the inhabitants, especially when there lurks the influential assistance of such a powerful nation as Britain.

Osaka Mainicki, September 30: The Nanking Government has received an authentic report that Britain is supplying arms and ammunition to the Tibetan forces. China theoretically should make an appeal to the League of Nations, as in the case of Manchukuo's independence, but because she would thus have to oppose both Japan and Britain, she is anxious to avoid trouble with the latter and o solve the question by herself.

Division of China

(By Prof. Kojiro Sugimori, Waseda Univ.—*Kaizo*)

Will China be divided? This is an important question, absorbing the attention of thinking Japanese. To this question I should reply as follows:

Were China left in the weak, irresponsible administration of the present Government the partition of the country would be only a question of time. Whether it will create a powerful central government or not is an important question placed before the whole nation. Suppose China fails to come up to our expectations and does not succeed in establishing a responsible government, would the Chinese be extinguished? I should say, "No." No country in the whole world can beat her as far as the individual power of existence is concerned. Therefore, we can imagine the Chinese people existing after they have lost their own state. Among materials I gathered, there are those which amply testify to the similarity of the Chinese to the Jew, but nevertheless this does not mean that the former follows the latter in qualily. Far from it, the Chinese are even superior to the Jew. The Chinese have no eccentric fondness of cleanliness, and seldom waste their lives, though it is equally rare for them to die brilliant deaths. They endure any and every hardship a to make an individual living. In this respect as individuals they are beyond comparison with any other earthly races; indeed they are favored with more resources and better quality than any other races on the globe.

Even though they should lose their motherland they would be sure to rebuild their own sphere of influence in all corners of the world where people can live. No advanced and well-developed state allows the entrance to its society of those obstinate races which can never part with their own particular system of living; and no barren land on earth lies unmolested from the influence of an advanced nation nowadays. The present state of the world is no menace to the Chinese who seek a living in alien lands. Besides, being wise, they do not try to settle in a community whose living standards and culture are below their own. It may be difficult to imagine the Chinese after they have ceased to live as a nation from what they are at present, yet should the time come when they have to actually face the imagined eventuality they will take a different subjectivity and create a new environment. All well systematized countries of the present and future would probably and naturally be supplied with abundant weak points for the Chinese to take advantage of; indeed, all these advanced, well-organized states are full of blind sides in the eyes of the Chinese, I believe. Viewed apart from the point of view of a state, the Chinese with their characteristic skill would soon enjoy the confidence of members of the nation in which they find themselves, and would strike deep root among alien communities as the most convenient and therefore indispensable companions of the nation.

The racial state is not eternal, but destined to make revolutional advance to extinction. The advent of a super-racial state is a materialistic as well as idealistic necessity. With the realization of this form of the state the Chinese will find themselves in the age ideal for their unfettered display of endowment, and thus in a sense they may prove a pioneer of the new age.

The foregoing eventuality is far from what we really wish, but is nothing but a way out should this worst culmination happen to be a reality. Indeed, to keep China intact and indivisible is an absolute necessity to Japan. An old Japanese adage says, "Teeth might feel cold should lips fall off"; the division of China is more threatened by the white race than by the colored races, and the Whites, after successfully partitioning Chinese territory would by instinct launch upon finishing up the country of the Rising-Sun.

Unification and Division of China

(By Nyozekan Hasegawa, noted critic—*Kaizo*)

1.—*China, a mollusk.*—The Lytton report while criticizing Japan's activities in connection with the Manchurian Incident recognizes the propriety of the outcome as a whole. What it really is anxious to insist on lies in its safeguarding the principle of non-division of China in the face of the realization of the new state. In order to live up to this principle founded more upon form than reality the report may be said to contain friendly sentiments to Japan in its effort to acquire actual profit rather than immaterial name. The question is how far such superficial makeshift may be able to guard against dismemberment of China.

The successive dynasties of the Chinese Empire which were extinguished with the downfall of the Ching dynasty had a different boundary of administrative influence, including even such districts as they could hardly claim to be their own territory. This undeniable fact cannot but provide Japanese students with material for the formation of an idea that Manchuria has never belonged to China. We are inclined to feel, therefore, that the cession of her territary to France, Russia, England and others might have stung her nerves no more than the case of the betrayal of a tribe in ancient times. Either the Russian occupation of Liaotung after the Sino-Japanese War or the succeeding cession of the land to European Powers seemed to have given little or no stimulation to her nervous system in spite of the nearness of the happenings to her political heart. This when compared with the

historic sensitivity of contemporary China cannot but the make us reminiscent of the past. It was at that time when the Powers indulged in planting their special rights in Chinese soil that a certain learned Frenchman compared China to a mollusk, stating that she was not a bit disturbed by the mutilation of one or two portions of its bodily system. This figurative criticism of the Frenchman may also be applied to the China of the present age when the separation of Outer Mongolia, Manchuria, and Tibet and the establishment of the Soviets not very far from the seat of its Central Government can afford no pain to its obvious existence. It is rather surprising that it continues a unified national existence when different nations settle and grow within its domain. Just place our country in a similar circumstance, what would become of her as an organized state? To continue a complacent life when hacked to pieces shows strong tenacity as a nation; hence to say that China is not an organized state as was declared by our Foreign Office is tantamount to defining that a mollusk is not a living creature. If a state in which the lack of unity due to opposing political parties, military authorities, and political parties set up in opposition, etc., is a state lacking unity, there are many besides China that cannot be called an organized state. Indeed, China, which retains centralization of power despite repeated division of its land, is rather more qualified to be an organized state.

It is true that in China disturbed conditions within the administrative body itself have gone to extremes, but most of so-called civilized nations are in little, or no better condition.

Countries in Europe vied with one another in taking possession of land in China since the beginning of the 16th century down to the Opium War, but none of them acted in the conception that the Great China of brilliant history and refined culture could be placed as a whole under its colonial administration. That they aimed at the establishment of industrial capitalism in lieu of taking recourse to the same policy as was practiced in India by Britain, is because they fully realized that the national unity of the Chinese Empire could not so easly be shattered.

The unity of the ancient Chinese Empire was in accordance with the conditions upon which a primitive state developed itself, and as a natural result unity of the state was little disturbed by almost incessant rise and fall of militarist governments. The border districts, having economic forms characteristic to themselves and their own particular forms as independent states, were under the pure militaristic control of Central China. Inasmuch, however, as their political independence did not stand against Central China's governing body in strong rivalry, the unity of the Chinese Continent was hardly disturbed by these remote provinces; otherwise, the Powers interested ought to have had recourse to territorial aggression or division prior to resorting to the capitalistic invasion.

2. Powers' momentary advance to partition.—Precisely speaking, it was after the Sino-Japanese War when Japan and Russia stood up in rivalry in Manchuria or more correctly when the latter commenced aggressive movement there, rather than the Sino-Japanese War itself by which the actual power of China was brought to light, that the imperialistic states of Europe became skeptical about the traditional unity of the Chinese Empire and changed their united aim to one of devouring the territory.

This temporary excitement of the Powers was prompted by no concrete idea whatever; naturally, the partition so quickly practiced in 1898 by Russia, Britain, France and Germany has been easily restored to its original state. We may say in conclusion that toward the end of the Nineteenth Century the capitalistic organization did not meet the conditions required for the division of China.

Powers' Reflection on the Division

American capitalism made its belated appearance, but in China was placed in a position freely to be capitalistic, more so than any earlier arrivals. Its protest against the other Powers' competitive encroachment into the Chinese Continent at the end of the Nineteenth Century, was materialized as Secretary Hay's note for the "Open-door," to which the Powers' attention and agreement was requested. If it were not for this note, their greed for more territory, which was further stimulated by the Boxer trouble, could not have been checked.

3. Movement toward unity.—The progress from division to unity was a general movement on the Chinese Continent after the European War, from China's as well as the world's capitalistic viewpoint. This national movement originated from a vague idea of a modern state, which later developed to Nationalist Revolution. This movement was obliged to take two different courses of development namely, establishment of a citizen state and communism.

4. The form of break-up and division.—The movement to unity was, once in the course of break-up, in three directions: (1) the formation of citizen state (2), development to socialistic revolution (3) division of frontier provinces.

It cannot be gainsaid that China lacked in power to develop its border provinces as its colony, but it is nevertheless true that it does not feel the necessity of squeezing them. Against its estranging border districts such as Mongolia and Tibet, China may take counter-measurs but will never go so far as to stake its national fate. Indeed, China feels no need of it.

What has laid the foundation of industrial development in Manchuria the Chinese population, its labor and its small investment, in the absence of which, however considerable Japan's investment might be, no development or even existence of Manchuria could be expected.

That Chinese capitalism, being unable to follow the regular course as a citizen state, countinues in disturbed condition, is no doubt an abnormal phenomenon created by the influence of foreign imperialism, but for this peculiar circumstance Chinese capitalism, which is still unable to emerge from the feudal guild system should also be held responsible. The present political split and resultant division of territory are closely related to this peculiar nature of Chinese capitalism. For the healthy development of Chinese capitalism toward industrial capitalism, its own political uncertainty and foreign imperialism constitute an impediment, and its division cannot help making headway side by side with its internal political factions.

Against Japan's wishes to bring up Manchukuo as an independent state the European Imperialism as reflected in the Lytton report desires to make it a Chinese autonomous territory, with the object of guranteeing the safety of their own international relations. Thinking that this mode of settlement is insisted on by Britishers, who have gone through practical experience in Egypt and India, we may have much to learn from it. This reflective mood on our part however is well-nigh upset by the recent British attempt to establish a puppet state somewhere near Tibet.

The growth of a capitalistic state in Central China, the formation of a communistic state in opposition, and the division of remote districts—China will have to go on along these courses while keeping intact its mollusk-like state form. (The writer is a critic respected by Japan's younger intelligentsia almost as a beacon-light—Translator).

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Division of China and Britain, U. S., and Japan

(By Seiichi Fukuoka, a critic.—*Kaizo*)

1.—*Return to before the Washington Conference.*—About the time of Japan's recognition of Manchukuo, which served to draw a thicker line between the new state and China in the eyes of the world, the sudden rise of Tibetan forces and disturbances at Nanking, Kwangtung, Fukien and Shantung were sensationally reported. In each of these civil disturbances, foreign imperialism is involved to a certain extent so that it is feared that they may go beyond affecting the influence of the provincial military lords or tributary political factions. This development of the situation threatens to bring into reality the division of China. No doubt the recent Tibetan situation adds nothing new to the existing crisis, but the present situation of China as a whole is none the less critical; it is marching to division—a return to the conditions before the Washington Conference. Before the European War, the Powers' imperialism had made its preparations for partitioning China, but in consequence of the war which brought about a sweeping change in the tense situation, Japan came to occupy the most influential position in China.

To this improved position of Japan a severe blow was dealt by the Washington Conference, to satisfy the ambition of America and also of Britain.

2.—*Two influences set in rivalry.*—For about ten years the result of the Washington Conference constituted the development of the situation in China, during which it effectively carried out the schedule for depriving Japan of its predominance.

The Nationalist Revolution made its distinct appearance in 1927, which the will of the Washington Conference through the hand of American imperialism spurred

to nation-wide perfection. On the other hand the opposing influence among the interested Powers, excepting the United States, was gradually alienated and made them fall back upon their old foot-holds, thus forming inseparable connections with provincial military lords. The Nationalist Revolution has made its headway, tossed between these two main currents. If the American Imperialism and the bourgeoisie of the Chinese people are not strong enough to meet the rebounding power of the other Powers, the ultimate success of the Revolution cannot be hoped for. Never, before the Nationalist Revolution, had China been confronted with such a grave menace as it is now.

3.—What is to be substituted for the Nine-Power Treaty?—Why is it that American imperialism, which exercised its mighty influence ten years ago, has come to lay down its arms and take a hesitant attitude, relying solely on the slough-like Nine-Power Treaty in the shade of the League of Nations? The principal causes are the changing attitude of France and Britain, especially of the latter, which once went so far as to show signs of siding with America at the expense of the Anglo-Japanese Alliance; the prevailing economic crisis all over the imperialistic states, which in a certain sense served to bring Manchukuo into existence in utter disregard of the Washington Conference; the naval strength of America, which unless assisted, cannot guarantee predominance on the west coast of the Pacific. When all these things are taken into consideration we arrive at a conclusion that it is not the Nine-Power Treaty but the League of Nations that the Manchurian problem has to face—the League of Nations whose dominating power is France and Britain, two principal supporters of the division of China. As a natural consequence there will prevail in the League the will, not of the Washington Conference, but of the period preceding it.

As to China proper, in northern China, to which the world's attention cannot but be directed, the interests of Britain and Japan threaten to come into direct contact with each other. This and other developments of the situation in North China will combine to precipitate the decay of the Central authority, uprising of military lords, aggrandizement of Soviet authority and the consequent division of China. In South China, the influence of Japan has so developed that it may overshadow the British interests—(Sir Miles Lampson's enthusiastic activities to stop the hostilities at Shanghai evoked strange sentiments to the Japanese, in whose estimation he had been an enemy). To add to these new developments in China it is most probable that the United States, which refrains from exercising the will of the Washington Conference against the Manchurian issue, would once again raise its massive fist in the event of the division of territory approaching to China Proper.

What will be substituted to the Nine-Power Treaty—the League, territorial division, or.....? Evidently there dominates in present day China the will which prevailed before the Washington Conference.

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True Facts of Tibetan Independence

(By Katsuji Inahara, advisor to the Tokyo *Nichi-Nichi—Chuo Koron*)

The unfortunate appearance of Tibet from its long peaceful life of seclusion into the world arena of strife is the result of conflict between British and Soviet imperialism. These two rival nations were on such bad terms that world history records no war against Russia in which Britain did not take part. Even now it is the true intention of the Britishers to have a chance to annul their recognition of the Soviets and to start a crusade to put an end to the Union. Indeed, at the very bottom of the turmoil with Tibet as its centre there is strife between Britain and Soviet. It is this antagonism between them and nothing else that is to be held responsible for throwing Tibet into the vortex of international strife.

As is well known the trouble was originated from India; Russia has long been a powerful menace to India, and although after the European War it has picked up Afghanistan, which had slipped off the hands of Britain, yet its advance into inner India from that position being well-nigh impossible it is obliged to find its entrance into the heart of India by a southward advance through Nepal and Bhutan.

India is the treasure-house of Britain; the easy life which the people of Britain had been leading until but recently was partly due to the profits made there. However, this very treasure of the Britishers has made clear its intention to quit the British yoke since the European War. This development of independence in India provides the Soviet with a rare chance for putting into practice its cherished schedule, for its alluring slogan of racial self-determination, presented together with arms and war funds, would never fail to let the whole colony stand against British administration. No wonder, therefore, that Britain can no longer remain idle. Britain must drive all Russian influence out of India, and to do so Tibet, the base of operations, must be placed perfectly under British influence,

The independence of Tibet has of course been declared against China, which retains suzerainty upon the territory, but it aims at the Soviets, nevertheless. The formation of Manchukuo did nothing more than to quicken the footsteps towards its destined goal. It is reliably reported that 90,000 Tibetan troops, that had been trained under British officers began marching on or about September 10 toward Tsinghai and Yunnan Provinces, armed with 9 airplanes, 15,000 rifles, 3,000,000 rounds of ammunition and 40 guns supplied by Britain. Against this invading force, however, China failed to make effective counter-attack, either because of lack of strength or of communications. The border districts such as Outer and Inner Mongolia, Hulumbair, Sinkiang, Tsinghai, etc., which are being fast estranged from their mother land, cannot but have an adverse effect upon China Proper. What then would become of China? True, the separation of Tibet from China may be of little consequence to the well-being of China, yet as a precedent on dismemberment it can never be made light of. To us Japanese the "decomposition of China as a state" will be the source of a number of troublesome questions; even granting that China does not come up to the standard of a modern state, the Powers would not hesitate on that account to place it on the same footing when establishing their China policy.

One more question to which we ought to direct our attention is the attitude of China toward Britain; whereas it has used every possible measures against Japan since the independence of Manchukuo, no such means has China resorted to so far as the Tibetan upheaval is concerned. This partiality on the part of China comes from the Chinese idea that Britain is stronger than Japan and not from the difference of their viewpoint as to the nature of the two incidents. Evidently China is more anxious about its own welfare than about its territory bordering foreign countries. In this connection the recent independence of Tibet has exposed naked China in the eyes of the world.

Tibetan Question and Soviet-British Relations

(By Ambassador Toroianovsky, Tokyo—*Chuo Koron*)

Papers say that by reinforcing the Tibetan forces Britain has set about the construction of Greater Tibet and the forces are making headway in high spirit into the western Chinese provinces, and that the British motives for the alleged assistance offered to the Tibetan forces lie in checking the Soviet advance into China.

I do not know well, however, the policy now practised there by Britain or how far it is helping the Tibetan army. I cannot persuade myself to believe that in order to adopt precautionary measures against Soviet Russia Britain is now active in Tibet, for such might fall short of the mark. Frankly, Soviet sees no need of encroaching on Tibet or Central China no less than it finds it necessary to advance into Manchuria. The rumor that the Soviet-British relations have become aggravated in connection with the recent activities of the Tibetan forces is a groundless surmise circulated for some vicious purpose.

Chinese Editor in Trouble for Printing Articles Favorable to Soviets

Chang Lin, assistant editor of the *Tung Ya Jih Pao*, or the Eastern Asia Daily, was arrested following a raid on the premises at the corner of the Chekiang and Kiukiang Roads by the Shanghai Settlement police Nov. 6. The raid was made in compliance with the request of the Chinese authorities, who have been watching the paper for its statements on labor troubles and reports on the Five Year Plan in Soviet Russia. He was ordered to be handed over to the Bureau of Safety by the Public Special District Court.

Dirty Linen in the 1932 Election Campaign

An American humorist has summed up the political situation as follows: The farm board is proposing to sell 15,000,000 more bushels of wheat to China and instead of cash we might take it out in service—get them to wash all the dirty linen of the 1932 campaign, for instance.

The Lytton Report and Its International Implications

BY YUEN-LI LIANG, LL. D., J. S. D.*

WITH the presentation of the report of the League of Nations Commission, sent to Manchuria last winter to investigate the Chinese-Japanese controversy, and the impending discussion of its findings by the League Assembly in the middle of November, the Sino-Japanese crisis has entered on a new phase. Itself an extremely important document, the report is pregnant with serious international implications. Before it was issued the merits of the whole controversy between Japan and China were the subject of the most vehement recriminations. The scope of the question which the League was to investigate was quite improperly considered by the outside world to be an issue between China and Japan alone, while foreign nations considered themselves interested only indirectly by virtue of their treaty rights and obligations resulting from such international instruments as the League Covenant, the Kellogg Pact and the Nine-Power Treaty.

The report has placed the issue squarely before the nations of the would—in a manner scarcely admitting of any equivocation. The Commission responsible for the report was sent to the Far East by the League Council last December on the proposal of no other country than Japan itself. It has been suggested that having been confronted with the necessity of carrying out the various promises made solemnly before the League Council, Japan performed the tactical feat of proposing a Commission of Investigation in order to gain sufficient time for a complete subjugation of Manchuria. It has also been suggested that, faced with a momentous issue such as the Chinese-Japanese crisis, the League, in appointing a Commission of Investigation, merely followed its propensity to slide along the line of least resistance. Be that as it may, it remains that an international body had, on the proposal of an important member of that body and at the same time one of the two parties to the dispute, authorized a group of persons of high standing and consummate experience to inquire into an international situation which threatened to increase in tension with the passing of each day.

Resentment Against the Aggressor

Aside from the seriousness of the subject-matter of the report, the findings of such a responsible body of people with the assistance of assessors from both parties to the dispute, must claim the most earnest attention of the whole world. And the importance of the findings was enhanced by the difficulty of securing evidence in a region entirely under the iron heels of the invader, who imposed every conceivable sort of restriction on the free and spontaneous expression of the geuine sentiment of the people. From one point of view, such muzzling of public opinion serves to conceal true reaction to the depredations of the usurper. But from quite another, the more the aspiration of a self-determining people are suppressed, the more they struggle to assert themselves; and every assertion must be construed as an emphatic expression of the resentment against the aggressor who leaves no stone unturned in attempting to enslave the Chinese population.

The Commission has not been perfunctory in its investigation. Although open to the charge of being dilatory in setting out for the Far East, the Commission upon its arrival at once plunged into a meticulous and comprehensive program with a view to finding out the hidden motives as well as the obvious facts of the case. It spent the entire spring and summer in North China. It travelled the vast soya bean fields of Manchuria. It visited the iron mines of the Kirin province. It explored not only the regions forcibly occupied and still remaining in the forcible occupation of the Japanese troops, but also those localities where the Chinese population enjoyed the rare bliss of freedom from constant molestation of the invaders. Ocular proofs of high-handed and ruthless government were steeped in the consciousness of the Commissioners. They found living examples of the suppression of indigenous culture and tradition in Manchuria by the Japanese. They witnessed the little children in the schools of Manchuria being compelled, like the truant boy in the story of the French novelist, Alphonse Daudet, to bid farewell in their "Last Lesson" to the alphabets of the Chinese language and to learn those of the Japanese.

After touring the length and breadth of Manchuria at the risk of their own safety from the constant fighting which raged and is still raging between the invader and the victims of the invasion, the Commissioners visited other parts of the scene of international conflict. They talked to responsible government officials in China and in Japan. They solicited the views and opinions of professional and business men. They examined the voluminous literature presented to them by bodies, official and unofficial of both countries. After all these visits and studies, the Commission prepared a report which has been submitted to the League for consideration.

It is not yet known whether the report will be adopted by the League or whether the conclusions reached will win the support of the parties to the dispute. Political considerations must influence all concerned in their judgment of the merit of the report. During the two weeks since its publication, however, it is unmistakable that the report, both in its presentation of facts and in its recommendations, has won the hearty approval of the public opinion of the world. The only dissenting voice seems to have come from the party who thinks itself wronged, and it has even been rumored that open defiance on the part of the responsible part of the Japanese Government will greet the discussion of the report in the coming Assembly of the League. By the responsible part of the Japanese Government I mean to say that particular branch of the constitutional government of Japan which is internationally regarded as the spokesman of the Japanese Empire. I advisedly refrain from referring to the highly inflammatory and denunciatory statement of General Araki, which immediately followed the publication of the report. And this is because in a so-called well-organized government,—a conception upon which the Japanese time and again pride themselves—there is one and only one mouth in dealing with the external relations of the state. This is of course the Foreign Office. So far, the Foreign Office of Japan has not yet officially spoken.

The Virtues of Sportsmanship

When we were in the schools, we were taught the great virtues of sportsmanship. Victory is not the ultimate end; it is the spirit of teamwork and and fair play that teaches us how to play the game of school life, the game of social life, and the game of international life. And this rule is inculcated even though it sometimes happens that the umpire or referee of a game is prejudiced. When the referee is one expressly suggested by a party, there is all the more reason for us to expect that his decision will be respected. The Japanese have been poverbially known as a very chivalrous people. The League Commission was inaugurated at the instance of Japan. Although the members of the Commission were not selected by the Japanese Government, it is not too much to expect that the latter has had and will have a reasonable amount of confidence in international officials, particularly as one of the distinguished sons of Japan at the time is not only sitting in the Permanent Court of International Justice at The Hague but is serving as its powerful President.

With the fervent hope that Japan will be discouraged by its sense of honor from openly defying the verdict of the Commission, it is now our turn to examine the recommendations of the report in the light of their bearings on international relations in general.

Right here it may be pointed out that as far as legal responsibility is concerned, the report leaves us in no doubt whatever that Japan resorted to war within the meaning of the League Covenant and the Kellogg-Pact; the Nine-Power Treaty suffers also a challenge which was translated into a flagrant breach in the creation of a puppet government in open derogation of the principle as to the respect for China's independence and territorial integrity. The report minces no words as to the farcical character of the so-called "Manchukuo." Wherever this word is used, it is found consistently and comfortably lodged in between two quotation marks. Whatever protestations Japan and the puppet government might make as

*An address delivered by the author, who was formerly a Judge at the Provisional Court in Shanghai, at the Columbia Institute of Public Affairs, Washington, D. C., Oct. 15.

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to the spontaneous character of the so-called separatist movement in Manchuria have been belied by the imposing and unimpeachable mass of evidence which the Commission has collected together in a painstaking manner. The most damaging piece of proof against the pretense of Chinese allegiance in Manchuria to Japanese domination is as dramatic in nature as it is pathetic. Only two letters out of a total of 1,500 received by the Commission were found not to be hostile to Japan.

As a solution of the problem, the Commission has proposed the convocation of an advisory conference. Such a conference is to lay a permanent basis of Chinese-Japanese relations with particular reference to the future of Manchuria. Manchuria is to be under the sovereignty of China while enjoying freedom of local adaptation. It is to be demilitarized; peace and order therein are to be maintained only by gendarmes. On principle not only is Japan to evacuate all the territory forcibly and wrongfully seized last year, but it has also to retreat from the railway zones, where the stationing of alien troops has always constituted a menace to the mental tranquility of residents along the line. Treaty relations between Japan and China are to be regularized on a new basis. Foreign advisers are to be engaged by China of its free will in order to assist in the work of reconstruction. Most important of all, the report emphasized that no solution of the whole controversy can hope to be permanent if the fictitious state of "Manchukuo" is to be maintained.

At the same time, it dwells on the impossibility of the restoration of exactly the same state of things that existed before the Japanese invasion. It exhorts us to open a new leaf in the book of international conflicts and their settlement. It tells us in a convincing fashion that we cannot unscramble the scrambled eggs.

The line of settlement proposed by the Commission was curiously enough long ago anticipated by an influential body of Chinese political opinion. It will be recalled that last fall when the difficulties first threatened to assume serious proportions, Wang Ching-Wei, until recently President of the Executive Council of the National Government and Eugene Chen, the scintillating Foreign Minister, put forward as a part of their political program the demilitarization of Manchuria and the creation of a self-governing administration with a civilian as the head of the new government. The name of Tang Shao-yi, head of the Imperial Mining Administration during the Tsing Dynasty, with which President Hoover once served as an Engineer, was even suggested as the head of the proposed new Manchurian administration. It is by sheer tragedy of fate that this plan failed of function.

Japan's Policy of Delay

As the Chinese Government has repeatedly and even imploringly declared that it would accept any reasonable basis of a peaceable settlement, the suggestion of the advisory conference will no doubt receive its serious consideration. There is nothing on principle which deserves more its sympathetic support. It will also rest assured that the bar of public opinion will rally to its rescue when an unequitable settlement is imposed upon it against its will. If it has any scruple at all, it must be in regard to the fact that the participation of neutral powers in such a conference is, by the terms of the recommendations only optional instead of obligatory. Like a burnt cat it may also have other misgivings. Last year, it was given time after time to understand that Japan would evacuate after getting rid of the so-called banditry. It may well hesitate to turn the cloak back to the days of last fall and winter, when at the Council table in Geneva, Japan insisted on direct negotiation and considered the Manchurian issue as confined to the parties in dispute, while China rested its case on the thesis that the whole system of the League, and hence of international security, was based on the conception that the states were interdependent not only in a moral sense but in an effective sense, and that any failure to exert the organized force of the League against the aggressor would make this very system of international security vanish amidst cynical laughter.

If the report envisages only direct negotiation beween Japan and China, one may doubt seriously whether the other parts of the recommendations will be brought up for discussion at all. Bearing in mind the tactics resorted to by the Japanese Government in seeking an eternal postponement of the settlement, it is apparent that the same strategy will again figure in the discussions of the advisory conference. From the standpoint of practical politics, it follows therefore that if any result at all is expected from such a conference, it is incumbent upon China to insist that the Powers, small as well as great, who are directly or indirectly interested in such international instruments of co-operation as the League of Nations Covenant, the Kellogg-Briand Pact, and the Nine-Power Treaty, should have full representation at the Conference.

Looking at the matter in a broad way, there are issues—far more mementous than night at first appear—issues which are at stake in yielding to the Japanese argument that an Oriental problem is none of the business of the Occidentals. The whole conception of the League, particularly in regard to the Sanction Articles of the Covenant, is a negotiation of this assertion. In no uncertain terms President Wilson laid it down that a conflict in one part of the world was a matter of vital concern to the world as a whole. It is not the actual happening, but its reprecussion, that affects other states no less than the disputant parties. The development of modern industry and business with their far-reaching ramifications, as Mr. Stimson suggested in his address of August 8, emphasizes in a categorical manner the inevitable effect of a single conflict upon the maintenance of international security in general. While not suggesting that the League Commission is oblivious of the very ideals which form the cement of the League. I must signalize as deplorable the comparatively little consideration which the report gives to the sweeping and adverse effect of the Sino-Japanese dispute on the political and economic stability of the member states of the League, to say nothing of the failure of the report to specify each and very article of the Covenant which has been torn as-under.

Another part of the report which might be a little disappointing to a student of international relations is the failure to indicate clearly and unequivocally the necessity of Japanese evacuation. Last winter, at session after session, the President of the League Council implored Japan to promise to evacuate in order to relieve the tension of the moment. And, at session after session, promises were made by one Japanese spokesman after another that the withdrawal of troops was a question of time. Little was it realized at the time when a representative of the Tokyo Foreign Office gave his word of honor to the Council, that almost at that exact hour, the representative of another branch of the "unified" Japanese Government—who happened to be "the strong man armed"—was dictating peremptory orders for the continuous and increasingly severe bombardment of Chinese cities and their innocent and defenseless inhabitants. When the Foreign Minister at Tokyo was assuring the envoy of Mr. Stimson that Mr. Stimson need have no fear of Japanese going as far as Chinchow, the War Minister was already looking intently upon the map of that strategic city just below the Great Wall and was contemplating with silent delight the success of his operations. The world has had ample proof or disproof of Japanese promises and assurances. It may not be too much, after all this patience and perseverance, to insist that there must be some tangible evidence of Japanese willingness to evacuate before the scheme of the demilitarization is agreed to.

Japanese Advisers

Whenever the Sino-Japanese dispute is discussed, the Twenty-One Demands claim our attention as necessary but uninvited and unwelcome guests. It is therefore, only natural that the Lytton Report, with its sagacious realism, should take them into account and attempt to dispose of them in an inoffensive way. The suggestion of their incorporation in a new, although more regular, treaty is one which no genuine lover of peace can contemplate with complacency. True, in the suggested sugar-coated form they are more palatable than their former selves. However, as has been repeatedly shown, no Chinese government which lent the slightest support to these Demands could stand the onslaught of public opinion in China. Realistic as the League Commission is, its failure to take into consideration the equally realistic control of Chinese foreign policy by the very militant Chinese public opinion—not in mere theory, but supported by historic instances—is a matter of keen regret among the well-wishers of the League Commission.

Regarding the appointment of Japanese advisers, a word should be said. China has always been desirous

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of availing itself of the technical assistance which its sister nations have been good enough to place at its disposal for the advancement of its economic and scientific enterprises. It is however a deplorable lack of political realism to suggest that the Chinese would over night experience a change of heart to the extent of welcoming into their bosom family certain categories of persons who the night before had no scruples whatever in dispoiling the rightful owners of their property. It is a mere truism to say that advisorship connotes and implies confidence. A fiduciary relation must be built upon the rock of friendship, not upon the sands of chicanery.

Time does not allow me to go into every implication of this extremely important document in the history of international organization. It has been pointed out that had the document been produced with respect to similar disputes and under similar circumstances before the World War, it would have been really epoch-making. As it is, while being a fair statement of the issue involved between the immediate parties and embodying sagacious recommendations to guide the paths of the world's statesman, it falls short of the expectations of the sincere lover of peace, because it still hangs on to the time-worn and weather-beaten conception that the parties themselves, rather than the organized force of the civilized world, should see to the redressing of international wrongs.

With the League Assembly Meeting in the middle of November, will come the crucial test of the League itself, a test which will determine whether the League is going to suffer the fate of the abortive efforts of international organization of the past or will emerge from challenge and defiance a revitalized institution conscious of renewed strength. It is not our role to sit by complacently and to watch with equanimity the experiment at Geneva beating pathetic drums to the grave. It is yet possible for the bar of public opinion to pledge vigorous support of the Lytton report as an inchoate if not already a consummate achievement of the League. It is yet possible to add to the report the original idea of the League, the idea that a conflict in one part of the world is of serious concern to the whole world and that no longer can a circle be thrown round the two disputant parties as if they were the subjects of hygienic and effective isolation. No more eloquent proof of our sincerity in the support of the Lytton Report can be conceived than in the support of Mr. Stimson's view, envisaging the joint obligation of the whole world to come to the rescue of the victim of aggression. It will no doubt be realized that if this conviction is backed up by economic and diplomatic weapons, the hand that has been smiting at the Covenant with impunity will soon be crippled. The little flutter we call ideals will not in that event have been quickened in vain.

The First Year of the Far Eastern Crisis

BY YUEN-LI LIANG, LL. D., J. S. D.*

Considered in the broadest way, the issues of the Chinese-Japanese controversy are not so obvious as one may imagine. The killing of the Japanese army official, the bombing of a part of the South Manchurian Railway by an irresponsible person, and even the attack on Mukden on the night of Septembar 18, 1931, were mere evidences of a conflict between an imperialistic state bent upon self-aggrandizement at the expense of its neighbor and a weaker one struggling to be free from the ravages of civil strife and foreign domination. Any student of the question should be at least realistic enough to insist that the Chinese-Japanese controversy must be traced to the constant, unflinching, and pre-conceived policy on the part of Japan to bring Manchuria into its imperial realm. It is granted that Japan had some legitimate grievances. What were those grievances? First, Japan said that China did not observe the Chinese-Japanese treaties, particularly those treaties which figure in a conspicuous way in international documents under the name of the Twenty-One Demands. These demands were forced upon China in 1915 at a period of perfect peace in the Far East, when there was not a single diplomatic issue pending settlement between China and Japan.

When the Paris Conference opened in 1919, the whole world was expectant that following the idealistic aspirations of President Wilson, international wrongs would be redressed and the Twenty-One Demands would be cancelled. But Japan astutely raised many irrelevant issues at the Conference to becloud any attempt to question the validity of these treaties, and this issue was left unsettled. When the Chinese Government pleaded for the cancellation of these treaties again at the Washington Conference in 1922, the Japanese Government refused on the ground that the traditional rule of international law compelled the observance of treaties even though entered into under forcible pressure. The Chinese Government answered that if without the slightest provocation a nation could force another to yield by treaty important and vital concessions, the whole structure of international society would be imminently imperilled. The question of the validity of treaties entered into under forcible pressure was one of the most uncertain in international law, and the views of the seventeenth and eighteenth century writers sustaining these treaties must not be taken without a grain of salt. In spite of the legal unsoundness and weakness of the Japanese position, the Chinese Government tried in all seriousness to comply with the provisions of these treaties. Its patience was mainly responsible for the comparative peace between China and Japan in regard to Manchuria which reigned for a period of ten years after the World War.

The Plea of "Self Defense"

The validity of the Japanese plea of self-defense has been denied not only by the public opinion of the world, but by all the governments represented in the League of Nations. Most recently, Secretary Stimson in his epoch-making address of August 8 said, "A nation which sought to mask imperialistic policy under the guise of the defense of its nationals, would soon be unmasked." It does not need the verdict of history to unmask the intention of Japan. The condemnation of world opinion is too eloquent for any attempt at rebuttal.

In order to justify its invasion of Shanghai in the early part of the year Japan also made use of the plea of self-defense. It was asserted that the boycott of Japanese goods by the Chinese was an act of war. Without going into the question whether the word "war" can be used to describe a mere passive attitude, I must emphatically state that not on a single occasion did the Chinese undertake the boycott of Japanese goods without first being subjected to the gravest provocation. On many such occasions, any other nation militarily inclined would have immediately resorted to a declaration of war. The boycott of Japanese goods in 1928 was in reply to the Japanese intervention in Shantung. A realistic view of the problem will tell us that as a measure of retaliation for unredressed wrongs, boycott is far more civilized than the shedding of blood.

The recent pronouncement of a Japanese spokesman on the question of self-defense has taken a new turn. It is said that it is not against China but against Soviet Russia that Japan wants to secure Manchuria in order to defend itself. No matter how imminent the threat of Soviet Russia might appear, an assertion hardly supported by the actual facts, no logic and indeed no emotional appeal can convince one of the soundness of the doctrine that a person could seize the land of another in order to protect himself against the imagined attack of a third party.

It is unfortunate that the cooperation of the United States with the League, so happily commenced, suffered a temporary eclipse on the occasion of the meetings of the League Council in December. The general American policy regarding Manchuria had not been changed. The absence of General Dawes from the Council discussions was however taken advantage of as a sign that American cooperation had been withdrawn and as an excuse that any energetic action against the aggressor would henceforth be impossible. The aggressor itself was encouraged in effect to go with impunity in its further depredations; the restoration of the *status quo* became more and more an impossibility. To an independent observer, the American action was merely a tactical change of front to avoid domestic criticism. But to the interested parties, it opened the door wide for action and inaction. At Geneva, it led to inaction by the League. For Japan it gave free vent to the

*Extracts from an address delivered at a meeting in memory of the first anniversary of the Japanese invasion of Manchuria, held in Washington, D. C.

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fulfillment of its desire for the complete subjugation of Manchuria.

The revival of American support of international peace came about with the Note of Secretary Stimson on January of this year. In spite of its categorical language registering American protest against Japanese actions in violation of the Nine-Power Treaty and the Kellogg-Briand Pact, it failed to stay the invasion of Shanghai. Mr. Stimson's Note however served two purposes. First, it was a definite challenge and stimulus to the other powers, a challenge to which unfortunately the latter failed to respond in time. Second, it served a notice to the aggressor that society would refuse to recognize any gain acquired by illegal methods. The Note has added importance in that it became part and parcel, as it were, of the Kellogg-Briand Pact, as it is the only logical and reasonable interpretation of the Pact and as it gives to the Pact a definite measure of sanction.

Alfred Sze Discusses Lytton Report

The following comments on the Lytton Report were made by Dr. Sao-ke Alfred Sze, former Chinese Minister to London, at City Hall Park, New York, on the occasion of the celebration under the auspices of the Chinese American Citizens' Alliance of the anniversary of the founding of the Republic of China.

Comments upon the recommendations of the Lytton Commission, whether by way of acceptance, modification or rejection can most properly come from the Government at Nanking. However, it will not, I think, be improper for me to point out that, in their findings of fact, the Commission supports the fundamental propositions asserted by China since the beginning of the controversy in its acute form in September of last year. The Report is a unanimous one and is based upon careful investigations upon the spot. It finds that the acts of the Japanese military in Manchuria have had no valid justification upon grounds of self-defence, and that the establishment of the so-called State of Manchukuo was not the spontaneous act of the people of Manchuria, but, on the contrary, was brought about and made possible only by the presence of Japanese troops in Manchuria and with their active aid. From these two fundamental propositions it follows, of necessity, that, juridcially speaking, there can be no denial that Japan has violated her obligations as a member of the League of Nations and as a signatory of the Washington Nine-Power Treaty of 1922, for the only argument which Japan has advanced and could advance to escape from the charge that she has acted in violation of the Convenant of the League has been that she had acted in self-defence; and the only way in which she could seek to free herself from the indictment that she has repudiated her solemn promise in the Nine-Power Treaty "to respect the sovereignty, the independence, and the territorial and administrative integrity of China" has been that she was not responsible for the creation of the so-called State of Manchukuo.

It is believed that outside of Japan the world will accept with unanimity these two findings of fact by the Lytton Commission to which I have referred. Based upon these premises, China looks forward in confidence to the support of the other Powers in her determination to free herself from the forms of politiocal control which Japan is seeking to impose upon her.

I cannot close without a word of appreciation, which I know, is felt by all Chinese, of the interest which the people of the United States have shown in the controversy and the general support they have given to China in her times of economic trouble and political danger.

Censorship Established on Telegrams to and from Manchuria

Strict censorship on all telegrams to and from Manchuria has been officially ordered by the Ministry of Communications. All telegraph and radio offices in Shanghai, including the Great Eastern, Great Northern, and the Chinese Government Telegraph and Radio Administrations, have been notified. According to regulations governing the censorship, all foreigners are required to furnish official letters of guarantee from the consular authorities of their respective nations before telegrams for Manchuria may be transmitted without being censored.

Factional Fights Within the Chinese Communist Party

The following "Message to the Comrades of the Chinese Communist Party" is from the pen of Ya Fei, otherwise known as Yu Mong-whei or King Yu-lin. It has been translated by Whitewall Wang. The tirade, for it is nothing less, of Mr. Yu shows that there is a serious split in the Communist Party. Its author is a member of the Central Executive Committee of the Chinese Communist Party, and a member of the Political Bureau of the Third Internationale, a member of the Executive Committee of the Shanghai Labor Union, and has numerous similar affiliations. In 1928, he was chosen as a representative by the Third Internationale to investigate the then situation of Germany, France and Poland. Among the Chinese laboring classes there is scarcely any one who does not know the name of this outstanding figure. In 1931, the Lishan Line of the Chinese Communist Party collapsed, and immediately the clique of Chen Shao-yu stepped in. It is against the latter that this "Message to Comrades" is directed.

Dear Comrades:

The Chinese revolution under our leadership and participation has proved to be a failure! The responsibility lies upon the shoulders of the running dogs of Stalin for the worse condition into which the laboring class has been thrown!

Apparently it is the mechancial employment of Communism to China that has precipitated the Chinese revolution to a failure. The creditability of Marxism only exists in those countries which in Capitalism has developed to a certain degree and in which a class-consciousness can be discerned. But the condemnable followers of Marxism have transported such a thesis to China, seeking to put it into practice. The Chinese Communist Party sees no distinction between the social conditions in China and those in Europe or America, where Capitalism has full sway. They did not in the least realize that China is backward in her industry and emerged from the state of being a semi-colony of the various world powers. They always exaggerated and over-estimated the power of the Chinese laboring class, but the truth is that there are scarcely three million industrial workers in China, a number reaching not even one-thousandth of the total population. With such a weak power, it is ridiculous for the Chinese Communist Party to say that the proletarian class was leading the Chinese revolution!

The nature of the Chinese revolution can still be illustrated with what is called 'National.' Although it passed an epoch-making stage in 1925-27, the function of the Chinese revolution is, however, far from being accomplished. There are to be found in China the influence of Imperialism, the feudal militarists and the degenerated gentry. So the Chinese revolution is still a national movement. To accomplish such a noble mission, the whole energy of the Chinese people is needed. The Third Internationale believed that the Chinese revolution has reached the stage for Soviet movement, so it instructed the Chinese Communist Party to establish many Soviet Organizations in China. Such a policy naturally hindered the progress of the Chinese revolution and gave rise to many blind irritations. It will surely result in the complete extirpation of the Chinese revolution!

Comrades! See! The present miserable conditions in China are but the result of mis-estimation on the part of the Communist Party in regard to the objective phase of China, and the practice therein of its detrimental policy!

Soviets Did Not Help Chinese Revolution

We have raised the slogan: "Support the U. S. S. R." This we should do, if the U. S. S. R. really helped the Chinese revolution. But has she helped in any degree towards that end? No, not only she has given no help to China, but has co-operated also with the imperialistic powers to make a feast of China. The dispute over the Chinese Eastern Railway can best serve to illustrate the ambition of the U.S.S.R. for the encroachment of Chinese territory or her sovereign rights. Ever since the beginning of the Sino-Japanese dispute over the Manchurian question, the U.S.S.R. has remained in dumb endorsement of the Japanese military operation. And now she is reported to be negotiating a so-called non-aggression pact with Japan. In a word, she wants to strengthen her socialistic foundation at the cost of China. Comrades! With such facts clearly lying before you, you may well judge whether the U.S.S.R. has really done anything for the advantage of the Chinese revolution! To support the U.S.S.R. is to sell out the interests of the Chinese people!

With regard to the Anti-Imperialist movement, we all know that the sole purpose of the Chinese Communist Party is to benefit itself from the situation to make profits and to disturb the rear of the Chinese people in their anti-Imperialist campaign. During the Sino-Japanese war in Shanghai and the outbreaks in Tientsin, the headquarters of the Communist Party even instructed its members to co-operate with the Japanese military and to stand in the way of the Chinese troops (I personally witnessed this all). Comrades! This is what the Chinese Communist Party has done for the anti-Imperialist campaign!

To support the Red Army and the work of the Soviet Districts is, to speak plainly, to support the corruptive officials of the Chinese Communist Party,—the regime of Chen Shao-yu, Chang Kuo-tao, Sheng Tsei-ming, Chang Wen-tien, Chang Peng-hsien and Chen Chang-hao. Such a horde of absurd politicians is ever planning to make stronger their position and to sue for the favor of Stalin at the cost of Chinese peasants and workers. The demands and struggles of the mass have now dexterously been very use of by the politicians as an opportunity for their personal welfare!

Chen Shao-yu and Chang Wen-tien are undoubtedly two of the most absurd creatures in the world! Perhaps you can still remember that Chen Shao-yu had been very counter-revolutionary before he went to Moscow, while Chang Wen-tien had once been the leader of the New China Party. After they had entered the Sun-Yat-sen University in Moscow, they began to hunt for the favor of Meff and finally succeeded in getting themselves picked up by him. They organized later a small organization of twenty-eight Communists and behaved even worse than formerly. It is because of these bad elements that the Chinese Communist Party has come to its present standing.

Nor was Meff a whit better than them. He had several times tried to usurp the leadership of the Chinese Communist Party, and urged that Chen Shao-yu be sent back to China. At that time I was a member of the Delegation of the Chinese Communist Party in Moscow, and concurrently the Director of the Organization Department. I at once saw his ambition and refused to give my approval. But later on Chen Shao-yu was secretly sent back to China by Meff without the sanction of the Chinese Delegation.

Now, comrades, what is the so-called anti-Lishan Line or the anti-Rightist struggle? Of course the Lishan Line was in the wrong, but it was by no means the worse as compared with that of the Third Internationale. It was merely a struggle between the leaders of the Communist Party for personal power and welfare, and a struggle between Stalin's running dogs and the other members for the leadership, of the Party. In the height of this struggle, they had used every possible and imaginable absurd means to drive out their opponents, to dissolve the Party organizations in various places, to expel the faithful members who had for years been with and made many sacrifices for the Party—and to assassinate many local comrades in Shanghai and other parts in China.

Chen's Authority Challenged

Comrades! All these facts are very clear to you. Those who are praised by Chen Shao-yu as faithful members are merely his tools. Till this very day, they have been praising the fidelity of Shiang Chung-fa; but the latter was a traitor by confessing his repentance to the Government. He revealed not only a good deal of the Party's secrets, but also betrayed our four important organs.

The absurdity of the measures designed by Chen Shao-yu to drive out those who opposed him was indeed beyond our imagination. He did not attack them on the standpoint of theory or with the supremacy of his own organizing power, but merely mobilized his special corps to betray them to the Government. If one were most popular among, or had the support of the mass, he was sure to be the first victim. The arrest of Ho Men-hsiung and Ling Yea-nan, and the despatch of Chen Yueh to Moscow were the most significant examples of his sinister design.

Comrades! With what authority could Chen Shao-pu make your leader, Chen Yueh, give up his post as Chairman of the Shanghai Marine Union? And with what authority could he compel me to give up my posts

as the President of the Pan-Pacific Trade Union and as the Chairman of the All-China Labor Union? Teng Chung Hsia was a member of the Central Executive Committee and concurrently the Director of the Publicity Department. He might have acted wrong. But he has made an apology. Why should he be despatched to the Pootung District to work under the publicity department and to undertake the hard running? Why, after he had obediently accepted his post in Pootung, should he be insulted as having neglected his duty, or disgraced after he had finished his assignment on the slightest point? Comrades! This is the manner with which Chen Shao-yu has treated your leader, who was a faithful and loyal member, and had struggled and labored hard for years within the Party!

Under the dictatorship of Chen Shao-yu, every organization of the Chinese Communist Party has been a mere personal organ. Some three months ago, for instance, they had made use of the arrest of Kwan Hsiang-ying in Shanghai to profit themselves in a sum of ten thousand dollars from the poor peasants and workers, alleging that they were going to seek the liberty of Kwan with the money. But has any one heard them making the slightest effort for the freedom of those loyal members who had been arrested?

Comrades! We are the brave fighters for the cause of revolution. We have sacrificed our all for the success of the Chinese revolution. For this cause hundreds of thousands of our comrades and brothers have already gone to death in past struggles. It is a pity that we are still ignorant to the mistake and the real aspects behind the veil of the Chinese Communist Party! We may continue to struggle and steadily go on, but where lies the meaning?

Perhaps you will upbraid me for my severance from the Communist Party. But facts will tell you fully. Can any one point out that I was not always in the foremost line in the various movements ever since the beginning of my participation in the Chinese revolution? Can any one point out that I had once surrendered to the enemy during such a long run? In the Harvest Irritation in Hunan and Hupeh, in the May 30th Incident, and in the various strikes and demonstrations in Shanghai, did I once lag behind from leading you in the struggle in the foremost line? All these facts tell that I cannot, and would not, be a traitor to you.

All is not unnatural. Buried in disappointment, and with the experience which I obtained in past struggles, I have carefully studied objectively the question of the Chinese revolution, and found that the only outlet ought to be on the line of a national one. The revolutionary movement under the leadership of the Communist Party not only has no future, but also forms itself an obstacle in the way of the National revolution. It is Imperialism that has put you into the present miserable situation,—although, at first sight, it was the Chinese Capitalists who kept oppressing you, but to tell the truth they are also the sufferers under the same oppressor. I determined, therefore, to sever from the Communist Party, and to participate hereafter in the National Revolution.

Comrades! As we have struggled in the past on the same standing, so I hope we could pursue the same way in the future. You are the brave fighters of the Chinese revolution. I hope you will from now on cease to be the tools of Chen Shao-yu, and the blind followers of the Communist revolution, which could not but victimize you!

Sir Miles Lampson's Future Is Discussed in House of Commons

The future of Sir Miles Lampson, British Minister to China, was discussed in the House of Commons November 10. G. Mander, a Liberal member, said he hoped that when Sir Miles Lampson retired from the Ministership to China, the Government would appoint some one of the same outstanding personality and merits, someone of the type of Lord Irwin, former Viceroy of India, or Lord D'Abernon, former ambassador to Germany. Mr. Mander also proposed that the government should move the British legation from Peiping to either Nanking or Shanghai.

The Question of Debts to the U.S.A.

Senator Claude A. Swanson from Virginia will succeed Senator Borah as chairman of the Foreign Relations Committee of the Senate. In a recent interview in Washington he stated that the people of the United States were loath to relieve foreigners of their tax burdens and impose them on themselves. Many of the nations involved, he added, were superior to the United States industrially and financially.

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IMPORTANT NOTICE

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Peping-Liaoning Railway

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TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

Marshal Feng Yu-hsiang and Japanese Rumors

BY PAUL K. WHANG (汪仲芳)

MARSHAL Feng Yu-hsiang, until recently a "hermit" in the sacred mountain of Taishan, Shantung, where he has led a secluded life for more that eight months since his Shanghai trip last January, once again emerged from his retirement when he suddenly left for Kalgan and other cities in the Northwest for the alleged purpose of recuperating his health.

Although a retired military leader, he still wields a great power over the northern political situation, inasmuch as many of his former subordinates have now become influential military leaders in North China. Therefore his trip to the Northwest at this particular time when the political situation in North China is ominous, naturally has given rise to wide rumors and made the people believe that the marshal will once again step out into the political limelight.

The marshal is not only an able general but also a shrewd politician. He has a good insight into the Chinese political situation and has never failed to act at the most opportune moment. At one time he was very popular, when he was known to his own people as a popular leader and to foreigners as a "Christian General." But his popularity has been very much discounted by his constant shifting of allegiance, and his Christian fame has also been tarnished when he was reported as having embraced the teachings of Bolshevism after his short stay in Soviet Russia.

He joined the nationalist movement in 1927 and contribuated much to the consummation of the northern expedition. But his cooperation with the nationalist leaders did not last long, when in 1930 he together with Gen. Yen Hsi-shan put up a futile rebellion against the Nanking government. After the fiasco of the Feng-Yen military coup, he lived in retirement in the Northwest until the Japanese invasion of Manchuria.

In face of the national crisis, the marshal emerged from his retirement and came down to the South for the alleged purpose of pulling the political leaders together to resist the foreign invasion. During his short stay at Shanghai last January just prior to the outbreak of Sino-Japanese hostilities, he made a great impression on the Shanghai populace by his eloquent speeches in denouncing the policy of non-resistance and urging that China should use force to recover the lost territory. His typical village attire was the topic of the day, and his interesting picture was prominently featured in all the newspapers, Chinese and foreign. His admirers hailed him as "The Lincoln of China" or "The Gandhi of China." Moreover, he posed himself as the "Emancipator of the Masses" by stating that henceforth he would devote his whole time and energy to the cause of the masses, and lead them "to fight against militarists, corrupt officials, landlords, capitalists and all other reactionary forces in order to place China in a position of freedom and independence."

Seclusion Instead of Fighting

During the Shanghai War, it was generally believed that the marshal, who advocated a strong militant policy against Japan, would rush his well-trained soldiers to reinforce the 19th Route Army, and the Chinese press even went so far as to report the arrival of Marshal Feng's big sword corps at the front. But to the disappointment of the Shanghai people, the marshal, instead of coming to their rescue, pretended to be in bad health and secluded himself from the outside world in the sacred mountain.

What has been ailing the marshal is not known to the public. It is rather queer that a man like him with such a healthy figure as we saw him when he was at Shanghai has been continuously incapacitated by sickness in spite of his long sojourn at the mountain resort. It is altogether natural that Chinese people have entertained a great anxiety over his health, when they remember that the promises which he made profusely in his speeches at Shanghai and elsewhere have not yet been redeemed, and have daily and nightly prayed that God will spare the life of our "Emancipator of the masses" so that some day he will succor us from our present distress.

But when the Shantung war was going on between Gen. Han Fu-chu and Gen. Liu Chen-nien, the former being one of his subordinates, the marshal suddenly left his Shantung abode in order to seek a better place "to recover his health" in the Northwest. He is now reported to be living in Kalgan, where another one of his subordinates, Gen. Sung Cheh-yuan, is chairman of Charhar province. If he is really as sick as he professes to be, he should come down to the South where the mild wintry climate will prove more beneficial to his poor health. Therefore his trip to the Northwest at this time when the winter is coming on can hardly convince the public that it is simply for the purpose of improving his health.

It is a strange coincidence that when Marshal Feng was leaving for the Northwest, a grand national prayer meeting was being conducted by the Panchan Lama in Peiping under the auspices of the Shir Lun Chin Kang Fah Hui, which was attended by Marshal Wu Pei-fu and members of the old Anfu Clique, including Tuan Chi-jui, Gen. Wu Kwang-shin, Marshal Sun Chuan-fang and many others. When so many retired military leaders were gathered to receive benediction from the Tibetan spiritual leader, it is only natural that the rumor-mongers would get busy to circulate wild stories in regard to the political significance of that meeting.

The Japanese propagandists have taken the opportunity to fabricate the news alleging that Marshal Feng has been working with Gen. Yen Hsi-shan, Marshal Wu Pei-fu and Gen. Han Fu-chu to reinstate Marshal Tuan Chi-jui in power and that he has been in favor of a monarchical restoration movement. Rumors have been so rife that Dr. Lo Wen-kan, the minister of foreign affairs, has even taken the trouble to wire the marshal about the matter.

In reply, the marshal has sent two telegrams to Dr. Lo characterizing these rumors as most unreasonable. In view of his past deeds and misdeeds, it really sounds unreasonable that the marshal should cooperate with Marshal Wu Pei-fu to reinstate Marshal Tuan Chi-jui in power, both of the latter being his former political enemies. Even Marshal Wu and Marshal Tuan are not on friendly terms, because we have been told from the Chinese press that all efforts to bring these two marshals to meet each other during the recent prayer meeting were of no avail. Therefore it seems to be next to impossible that these political enemies can compose their differences and come together to put up a "separatist" government in North China.

Feng in Favor of Monarchy?

Moreover, it sounds even more unreasonable that Marshal Feng is in favor of a monarchical restoration movement. It was he who drove Henry Pu Yi from the Forbidden City in 1924. Can it be true that the marshal has now changed his political faith and will give support to the one who is now a Japanese puppet?

While we are credulous to believe the authenticity of these rumors, we, nevertheless, can not close our eyes to the fact that politics sometimes makes strange bed fellows. In Chinese history there are many instances in which bitter political enemies have become sworn brothers. Thus because of their common dissatisfaction with the Nanking government, these retired military leaders, in spite of their different political beliefs, might temporarily form a united front to attain their common end. It must also be said that because of his personal grievance against Marshal Chang Hsueh-liang, who was responsible for the downfall of the Feng-Yen Coup, Marshal Feng seems to be likely to lend a hand in the movement to reinstate Marshal Tuan Chi-jui in power to supplant the Young Marshal.

Moreover, in view of his readiness to change his allegiance, we can not help feeling that the marshal, although he is said to be an "Emancipator of the Masses," might become a strong supporter of the monarchical restoration movement. In order to serve his own personal interests, a self-centered political or military leader is apt to forget the welfare of his country.

In saying this, we have no intention whatsoever to impugn his conscience and patriotism. Although he has been at odds with the officials of the Nanking government, we can hardly believe that he will be so unpatriotic as to sponsor any "separatist" movement to bring discredit to China at this time of national crisis. Therefore we take for granted the truth of his denials and contend that his present trip to the North-west has no political significance.

For a considerable period the official Japanese news services have been forecasting a "separatist" movement in North China which would be anti-Nanking and pro-Manchukuo. With the approach of the League meeting, the Japanese propagandists have been especially busy in disseminating unfounded rumors to discredit

China so as to strengthen their case before the family of nations.

If the Japanese forecasts turn out to be true, it must be said that the Japanese have had a hand in it. It is common knowledge that the Anfu Clique is the Japanese sponsored organization. With their good knowledge of the Chinese political situation, the Japanese can easily utilize the members of the Anfu Clique and other dissatisfied militarists and politicians to stage a "separatist" movement in North China so as to forestall any action on the part of the Chinese government to recover Manchuria.

Shanghai, Nov. 14, 1932.

Nanking Government to Assist Refugees from Manchuria

Representatives of the Ministries of War, Railways and Industry met at Nanking Nov. 5 to discuss relief measures for unemployed refugees arriving from the North-east who recently sent a delegation to the Central Party Headquarters requesting assistance.

Besides petitioning the Executive Yuan to work out a fundamental scheme of relief, it was decided at the meeting to instruct the refugees' representatives to compile a report on the conditions and previous occupations of the unemployed in order to guide the Authorities in obtaining suitable work for them.

Unpaid Hotel Bill of Chinese Official Causes Arrest in Washington

Yuen-li Liang, former secretary of the Chinese Legation in Washington D. C., was arrested at the Union station in Washington Nov 12. as he was about to start for New York where he was to embark for Europe to join the Chinese delegation to the League of Nations. He was detained because he was about to depart without paying his hotel bill. Drew Pearson of "More Merry-go-Round" fame came to Mr. Liang's assistance and was himself arrested. Later friends paid the bill and both were released. Mr. Liang deprecated the incident, saying that there was no intention to defrand the hotel. He later proceeded to his destination.

Twelve Dead, Many Injured, in Geneva Riot

A riot culminating in the death by machine-gun fire of twelve demonstrators occurred on the shores of Lake Geneva November 9. The demonstration was staged in connection with an attempt to gain entrance to the League building to present a protest against war, and rapidly developed into a riot. Police were called out but the demonstrators turned on them. A company of infantry and a party of recruits from a training school were ordered out, but they also were violently attacked by the crowd, which had grown to much larger proportions. Their rifles, which only contained blank cartridges, were seized and they were forced to retreat, chased by their attackers. Troops later opened fire, with the result that 12 were killed and 65 injured. The incident has caused serious repercussions, not only in Switzerland, but in other countries.

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Full Text of Lytton Commission of Enquiry's Report

The publication of the full text of the Lytton Commission's Report was commenced in "The Review" of Oct. 22 and will be continued until the end of the eighth chapter is reached. The ninth and tenth (concluding) chapters were printed in full in the Oct. 15 issue of "The Review."

The nature of the instructions given by the Central Board is apparent from the proclamation which is issued as early as January 7, under date of January 1. The proclamation stated that the Northeast was faced with the need of developing, without delay, a great popular movement for the establishment of a new independent State in Manchuria and Mongolia. It described the development of its work in various districts in Fengtien Province and outlined its plan for the extension of its activities to the remaining districts and even to other Provinces. It then appealed to the people of the Northeast to overthrow Marshal Chang Hsueh-liang, to join the Self-Government Association, to co-operate in setting up a clean administration and improving the living conditions of the people, and it ended with the words: "Organizations of the Northeast. Unite Toward the new State Toward Independence." Of this proclamation 50,000 copies were distributed.

Chief Makes Plans

As early as January, also, the Chief of the Self-Government Guiding Board, Mr. Yu Chung-han, was already making plans, together with Governor Tsang Chih-yi, for the new "State" which, it was reported, was to be established on February 10. But the Harbin outbreak of January 29, and General Ma's ambiguous attitude during the conflict with Ting Chao, appear to have been the main reasons for the temporary postponement of further preparations at that time.

Later, after Ting Chao's defeat, negotiations between Lieutenant-General Chang Ching-hui and General Ma had brought about, on February 14, a settlement according to which General Ma was to become Governor of Heilungkiang. The meeting at which the foundation of the new State was to be arranged was held on February 16 and 17 at Mukden. The Governors of the Three Provinces and the Special District were present in person, as well as Dr. Chao Hsin-po, who had played a prominent part in all the preparatory work.

At a meeting of these five men it was decided that a new State should be established, that a Northeastern Administrative Council should be organized which would exercise temporarily the supreme authority over the Provinces and the Special District, and, finally, that this Supreme Council should, without delay, make all necessary preparations for the second day of the conference, two Mongol Princes attended, one representing the Barga-District (Hulunbuir in western Heilungkiang, the other, Prince-Chiwang of the Cherin Leagues, representing practically all Banners, who respect this Prince more than any other leader.

The Supreme Administrative Council was constituted the same day. Its members were Lieutenant-General Chang Ching-hui, Chairman of the council, the Governors of Fengtien, Kirin, Heilungkiang and Jehol, and Prince Chiwang and Prince Ling Sheng for the Mongolian districts. The first decisions of the Council were: to adopt the republican system for the new "State"; to respect the autonomy of the constituting Provinces; to give the title of "Regent" to the Chief Executive and to issue a Declaration of Independence, to be signed by the Governors of the four Provinces and the Special District, by Prince Chiwang for all the Banners, and by Prince Kueifu for Hulunbuir in Heilungkiang. The Commander-in-Chief of the Kwantung Army gave that night an official dinner in honor of the "Heads of the new State," whom he congratulated on their success and assured of his assistance in case of need.

Independence Declared

The Declaration of Independence was published on February 18. It referred to the ardent wishes of the people to have permanent peace and to the duty of the Governors, who were said to have been chosen by the people, to fulfill those wishes. The declaration referred to the necessity of the establishment of a new State, and claimed that the Northeastern Administrative Council had been constituted for this purpose. Now that relations with the Kuomintang and the Government at Nanking had been severed, the people were promised the enjoyment of good government. This declaration was sent by circular wire to all places in Manchuria. Governor Ma and Governor Hsi Hsia then returned to their respective provincial capitals, but they designated representatives to meet Governor Tsang Shih-yi, Governor Chang Ching-hui, and Mayor Chao Hsin-po for the purpose of working out the details of the plan.

In a subsequent meeting held by this group, on February 19, it was decided to establish a Republic, to lay down the principle of the separation of powers in the Constitution, and to ask the former Emperor Hsuan-Tung to become the Chief Executive. In the following days it was decided that the capital should be Changchun; the new era of government was to be styled "Tatung" (Great Harmony) and the design of the national flag was fixed. Notification of the decisions taken was sent, on February 25, to all provincial governments, including Jehol, as well as to the Mongol administrative offices of Hulunbuir and of the Cherim, Chacota and Chosatu Leagues. The lastnamed Leagues are established in Jehol. They could, therefore as already stated, take no steps against the wishes of the Chairman of the Government of that Province.

After the Declaration of Independence and the announcement of the plans for the new State, the Self-Government Guiding Board took the leading part in organizing popular manifestations of support. It was instrumental in forming societies, for the "Acceleration of the Foundation of the New State." It instructed its branches in the various districts throughout Fengtien, the Self-Government Executive Committees, to do everything possible to strengthen and hasten the independence movement. In consequence, the new "Acceleration" societies sprang up rapidly centering around the Self-Government Executive Committees.

From February 20 onwards, these newly-formed "Acceleration Societies" became active. Posters were prepared, slogans printed, books and pamphlets issued, a "Northeastern Civilization Half-Monthly" was edited and red scrolls were distributed. Leaflets were sent by post to various prominent citizens asking them to help the propaganda work. At Mukden the scrolls were distributed by the Chinese Chamber of Commerce, to be placed on the door-posts.

Popular Approval Organized

During the same time the Self-Government Executive Committees in the districts summoned meetings of popular representatives, such as members of the local gentry, and the chairmen and prominent members of commercial, agricultural, industrial and educational associations. In addition, mass meetings were organized and parades or processions were conducted through the principal streets of the district capitals. Resolutions expressing the wishes either of the people in general or of special groups were passed at conferences of prominent local men and at the mass meetings, in which it was claimed many thousands of persons took part. These resolutions were naturally sent to the Self-Government Guiding Board at Mukden.

After the Acceleration Societies and the Self-Government Executive Committees had been active in various districts of Fengtien, a provincial convention was organzied at Mukden to give concrete evidence of the general desire of the people for the establishment of the State. Accordingly, on February 28, a meeting was held in which about 600 persons took part, including all the district officers of the Province and the representatives of nearly all classes and organizations. This meeting issued a declaration which stated that it expressed the joy of the 16,000,000 inhabitants of Fengtien Province at the downfall of the old oppressive military caste and the dawn of a new era. As far as Fengtien was concerned, the movement had thus been brought to a conclusion.

The movement in Kirin Province in favor of a new State was also organized and directed. While in the conference at Mukden on February 16, Governor Hsi Hsia sent a circular telegram to his District Officers asking them to enlighten him as to public opinion in regard to the policy to be followed by the new State. The District Officers were enjoined to give adequate guidance to the various guilds and associations in their districts. In direct response to the telegram, independence movements sprang up everywhere. On February 20, the Kirin Provincial Government created the State Foundation Committee, which was to guide the various organizations in conducting their independence campaigns. On February 24, the People's Association at Changchun held a mass meeting in which about 4,000 persons are reported to have taken part. They demanded the acceleration of the foundation of the new "State." Similar meetings were held in other districts and also in Harbin. On February 25, the mass meeting for the whole Province was held at the city of Kirin. About 10,000 persons were reported to have been present. A declaration was duly issued similar to that passed at Mukden on February 28.

Heilungkiang Independent

In Heilungkiang Province, the Mukden Self-Government Guidance Board played an important part. On January 7, after General Chang Shing-hui rad accepted the governorship of Heilungkiang, he decleared the Province to be independent.

The board lent its assistance in conducting the acceleration movement in Heilungkiang. Four directing officers, two of whom were Japanese, were dispatched from Mukden to Tsitsihar. Two days after their arrival, on February 22, they convened a meeting in the reception hall of the Government House, in which a large number of associations were represented. It was a Pan-Heilungkiang conference, which was to decide upon the methods of preparing for the establishment of the State. It was resolved to hold a mass demonstration on February 24.

Many thousands of persons took part in the mass demonstration at Tsitsihar, which was covered with posters, scrolls, streamers and pennants in commemoration of the event. The Japanese artillery fired 101 guns in honor of the day. Japanese planes circled overhead, dropping down leaftets. A declaration was promptly issued which favored a republican form of government, with a responsible form of government, with a responsible cabinet and a president as the head of the State. All powers were to be concentrated in the Central Government, and the provincial governments were to be abolished, leaving districts and municipalities as the units of local government.

By the end of February, Fengtien Kirin, Heilungkiang and the Special District had passed the stages of district and provincial declarations. The Mongol Banners had also given their allegiance to the new State, since it was known that it would mark off special autonomous Mongol districts and would in other ways guarantee the rights of the Mongol inhabitants. The Mohammedans had already, at a meeting on February 15, at Mukden, pledged their allegiance. The majority of the small number of unassimilated Manchus were also in favor of the new "State" as soon as it had become known that their former Emperor would probably be offered the post of Chief Executive.

After the districts anl provinces had given formal support to the plan of a new State, the Self-Government, Guiding Board took the lead in convening an All-Manchuria Convention, which was held at Mukden on February 29. There were present official delegates from the provinces, the districts of Fengtien Province and the Mongol territories, and, in addition, many others, including representatives of various groups, such as the Koreans in Kirin Province and the Special District, and the branches of the Youth League of Manchuria and Mongolia, altogether over 700 persons.

Resolutions Adopted

Speeches were delivered and a declaration and resolution were unanimously approved, the former denouncing the previous regime, the latter welcoming the new "State." A second resolution was also adopted designating as the provisional President of the new State the former Emperor Hsuan Tung, now known by his personal name as Mr. Henry Pulyi.

The Northeastern Administrative Council met at once in urgent session and elected six delegates to proceed to Port Arthur, to convey their invitation to the former Emperor at Port Arthur, where he had been residing since he left Tientsin in the previous November. Mr. Pu-yi at first declined it, but on March 4 a second delegation comprising 29 delegates, obtained his consent to accept the post for one year only. Then the Administrative Council elected its chairman, Lieutenant-General Chang Ching-hui, and nine others, to be the reception committee. On March 5, the committee went to Port Arthur and was received in audience. In response to its request the former Emperor, on March 6, left Port Arthur for Tangkangtze, and after two days began, on the 8th, to receive homage as the Regent of "Manchukuo."

The inauguration ceremonies were held at the new capital, Changchun, on March 9. Mr. Pu-yi, as Regent, made a declaration in which

he promised to found the policy of the new State upon the basis of "morality, benevolence and love." On the 10th, the principal members of the Government were appointed: the members of the Cabinet, the Presidents of the Board of Legislation and the Board of Control; the President and Vice-President and Councillors of the Privy Council, the Governors of the Provinces and of the Special District, the Commanders of the Defense Forces of the Provinces and some other high officials. A notice regarding the establishment of "Manchukuo" was issued by telegram on March 12 to the foreign Powers. The declared purpose of this notice was to communicate to the foreign Powers the fundamental object of the formation of "Manchukuo"; and the request that they recognize it as a new State.

Prior to the arrival of the Regent, a number of laws and regulations, on which Dr. Chao Hsin-po had been working for some time, had been made ready for adoption and promulgation. They came into force on March 9, simultaneously with the law regulating the organization of the Government, while the laws which theretofore had been in effect, insofar as they were not in conflict with the new laws, or with the fundamental policy of the State, were provisionally adopted by special ordinance of the same date.

All Sources Used

This narrative of the stages by which the "State of Manchukuo" was created had been compiled from all the sources of information available. The events were reported at length as they occurred in Japanese newspapers and most fully perhaps in the columns of the Japanese-edited *Manchuria Daily News*. The two documents entitled Histoire de l'Independance du Manchoukuo—Ministere des Affaires Etrangeres du Manchoukouo and A General Outline of Manchukuo, —Department of Foreign Affairs, Manchukuo, which were prepared at Changchun on May 30 by the present administration; and the Memorandum on the so-called Independence Movement in the Three Eastern Provinces, prepared by the Chinese assessor, have also been carefully studied. In addition, wherever possible, neutral sources of information were utilized.

The measures of civil administration taken by the Japanese military authorities between September 18 and the establishment of the "Manchukuo Government," notably the control of the banks, the administration of the public utility services and the management of the railways, indicated that from the commencement of the operations, objects more permanent than the requirements of a temporary military occupation were being pursued. Immediately after the occupation of Mukden, on September 19, guards were placed in or in front of all Chinese banks, railway offices, the administrative offices of public utility services, the office of the Mining Administration and similar premises. Investigations were then conducted into the financial and general situation of these enterprises. When they were allowed to reopen, Japanese were appointed as advisers, experts, or secretaries to officials, usually with administrative powers. Many business enterprises were owned by the former administration of the Three Eastern Provinces, as well as by the provincial administrations; and as the previous Government was regarded as are enemy Governments in time of war, no bank, no mining, agricultural or industrial enterprise, no railway offices, no public utility—in fact, no single source of revenue in which they had been interested in either their public or private capacities, was left without supervision.

Railway Measures Taken

As regards railways, the measures taken by the Japanese authorities from the outset of the period of military occupation were designed to settle definitely, in a manner favorable to Japanese interests, some of the questions which had long been in dispute between the Chinese and Japanese railways, and which have been described in Chapter III. The following measures were promptly taken:

1. All the Chinese-owned railways north of the Great Wall, and the moneys standing to their credit in banks in Manchuria, were seized.
2. In order that the railways might be co-ordinatel with the South Manchuria Railway, certain changes were made in the arrangement of tracks in and around Mukden, by cutting the tracks of the Peiping-Mukden Railway at the viaduct under the South Manchuria Railway, thus closing the Liaoning Central station, the Fengtien East station, the Fengtien North Gate station and thus severing the connection with the Chinese Government railway to Kirin (later replaced).
3. At Kirin physical connection was made between the Hailun-Kirin line and the Kirin-Tunhua and Kirin-Changchun railways.
4. A staff of Japanese technical advisers was installed in various departments of the railways.
5. The "special rates" adopted by the Chinese authorities were abolished and the original tariffs restored, thus bringing freight rates on Chinese railways more into conformity with those of the South Manchuria Railways.

During the period between September 18, when the Northeastern Communications Committee ceased to function, and the date of the creation of the "Manchukuo Ministry of Communications," the Japanese authorities assumed entire responsibility for the administration of the railways.

Measures of a similar kind, which went beyond those which were necessary for the protection of the lives and property of their nationals, were taken by the Japanese in respect of the public electricity supplies at Mukden and Antung. Also, in the period between September 18 and the establishment of "Manchukuo," the Japanese authorities made changes in the administration and management of the Chinese Government telephone, telegraph and wireless services which would ensure their intimate co-ordination with the Japanese telephone and telegraph services in Manchuria.

Conclusions Presented

Since September 18, 1931, the activities of the Japanese military authorities, in civil as well as in military matters, were marked by essentially political considerations. The progressive military occupation of the Three Eastern Provinces removed in succession from the control of the Chinese authorities the towns of Tsitsihar, Chinchow and Harbin, finally all the important towns of Manchuria; and following each occupation the civil administration was reorganized. It is clear that the Independence Movement which had never been heard of in Manchukuo before September, 1931, was only made possible by the presence of the Japanese troops.

A group of Japanese civil and military officials, both active and retired, who were in close touch with the new political movement in Japan to which reference was made in Chapter IV, conceived, organized and carried through this movement, as a solution to the situation in Manchuria as it existed after the events of September 18.

With this object they made use of the names and actions of certain Chinese individuals, and took advantage of certain minorities among the inhabitants, who had grievances against the former administration.

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It is also clear that the Japanese General Staff realized from the start, or at least in a short time, the use which could be made of such an autonomy movement. In consequence they provided assistance and gave direction to the organizers of the movement.

The evidence received from all sources has satisfied the commission that while there were a number of factors which contributed to the creation of "Manchukuo" the two which, in combination, were most effective, and without which, in our judgment, the new State could not have been formed, were the presence of Japanese troops and the activities of Japanese officials, both civil and military.

For this reason the present regime cannot be considered to have been called into existence by a genuine and spontaneous independence movement.

Part II

The Present Government of "Manchukuo"

"Manchukuo" is governed in accordance with an Organic Law and a Guarantee Law of Civil Rights. The Organic Law prescribes the fundamental organization of the Governmental organs. It was promulgated by Ordinance No. 1 issued on March 9, the first year of Tatung (1932).

The Regent is head of the State. All executive power is vested in him, and he has also the authority to overrule the Legislative Council. He is assisted by a Privy Council, which is to advise him upon important affairs.

A characteristic feature of the Organic Law is the separation of departments: the Executive, the Legislative, the Judicial and the Supervisory.

The functions of the Executive department are carried out, under the direction of the Regent, by the Premier and the Ministers of State, who together form a State Council or Cabinet. The Premier supervises the work of the Ministries, and, through the powerful Board of General Affairs, has direct charge of their confidential matters, personnel, accounting and supplies. Subordinate to the State Council are various bureaus, especially the important Advisory Bureau and the Legislative Bureau. Executive power is thus largely concentrated in the hands of the Premier and the Regent.

The legislative power is vested in the Legislative Council. Its approval will be necessary for all laws and revenue acts. But should it reject any Bill, the Regent may ask the Council to reconsider its decision, and if it should again reject it, the Regent, after consulting the Privy Council, shall decide the matter. At present, however, no law has yet been passed for the organization of the Council, with the result that laws are drafted by the State Council and become effective after the Privy Council has been consulted and the approval of the Regent has been obtained. So long as the Legislative Council is not organized, the Premier's position is predominant.

The judiciary comprises a number of law courts, divided into three grades, the Supreme Courts, Higher Courts and District Courts.

Supervisory Council

,The Supervisory Council supervises the conduct of officials, and audits their accounts. The members of the Council may not be dismissed except for a criminal offence or disciplinary punishment and may not be subjected to suspension or transfer of office, or reduction of salary, against their wishes.

For purposes of local government. "Manchukuo" is divided into five Provinces and two Special Districts. The Provinces are Fengtien, Kirin, Heilungkiang, Jehol and Hsin-An or Hsingan. The last-named, which contains the Mongol districts, is sub-divided into three areas or Sub-Provinces, so as to conform to the traditional Banner system and the union of Banners into Leagues. The Special Districts are the old Chinese Eastern Railway, or Harbin District, and the newly-established Chientai, or Korean District. By means of this administrative division the important minoririties, Mongols, Koreans and Russians, are to be guaranteed, as far as possible, special administration in conformity with their needs. Although the commission had several requests to be shown a map of the area claimed to be included in the "State of Manchukuo," this was not provided, but a letter was received giving the boundaries of the "State" as follows:

"The new State is bounded on the south by the Great Wall, and the Mongol Leagues and Banners in the same comprise Hulinbuir and the Leagues of Cherim, Chaota and Chosatu and their Banners."

At the head of the Provinces are Civil Governors. But since it is desired to concentrate executive power in the Central Government, they are to be given no authority over either troops or finance. In the Provinces, as well as in the Central Government, the General Affairs Department holds a controlling position. It is in charge of confidential matters, of personnel, accounting, correspondence and matters which do not come under other departments.

Provinces are divided into districts. These are administered largely by district Self-Government officers, which have under their direction various governmental departments, particularly that of General Affairs. Municipal governments exist at Mukden, Harbin and Changchun. At Harbin, however, it is planned to create a Greater Harbin which will include both the Russian and the Chinese cities. The Special Railway District is to be abolished. Part of it will be included in Greater Harbin, and the remainder stretching east and west along the Chinese Eastern Railway, is to be added to Heilungkiang and Kirin Provinces.

Units of Finance

The "Government of Manchukuo" regards the Provinces as administrative areas, and the districts and the municipalities as units of finance. It determines the amount of their taxes and passes upon the budget. All local revenues must be paid into the central treasury which will then supervise the proper disbursement. These revenues may not be retained, in whole or in part, by the local authorities, as was customary under the old regime. Naturally, this system has not as yet been brought into satisfactory operation.

In the "Government of Manchukuo" Japanese officials are prominent, and Japanese advisers are attached to all important departments. Although the Premier and his Ministers are all Chinese, the heads of the various Boards of General Affairs, which in the organization of the new State exercise the greatest measure of actual power, are Japanese. At first they were designated as advisers, but more recently those holding the most important posts have been made full Government officials on the same basis as the Chinese. In the central government alone, not including those in local governments or in the War Office and the military froces, or in government enterprises, nearly 200 Japanese are "Manchukuo" officials.

Japanese control the Board of General Affairs and the Legislative and Advisory Bureaus, which in practice constitute a Premier's office, the General Affairs Department in the Ministries and in the Provincial Governments, and the Self-Government Directing Committees in the Districts, and the police departments in the Provinces of Fengtien, Kirin and Heilungkiang. In most bureaus, moreover, there are Japanese advisers, councillors and secretaries.

There are also many Japanese in the railway offices and in the Central Bank. In the Supervisory Council Japanese hold the posts of Chief of the Bureau of General Affairs, Chief of the Control Bureau, and Chief of the Auditing Board. In the Legislative Council the Chief Secretary is a Japanese. Finally, some of the most important officials of the Regent are Japanese, including the Chief of the Office of Internal Affairs and the Commander of the Regent's bodyguard.

The aim of the Government, as expressed in the proclamation of the Northeastern Administrative Committee of February 18, and of the "Government of Manchukuo" of March 1, is to rule in accordance with the fundamental principle of "Wang Tao." It is difficult to find an exact English equivalent for this phrase. The interpreters provided by the "Manchukuo" authorities translated it "love," but scholars give the meaning as the "kingly way," which may have many shades of meaning; which according to Chinese tradition, has been of old the basis of a good administration, sincerely concerned with the welfare of the people. Traditionally, the Chinese have used the expression "Wang Tao" as antithetical to "Pa Tao," which latter expression as discussed by Dr. Sun Yat-sen in his "San Min Chu Yi" (Three Peoples' Principles), connotes reliance upon physical force and compulsion. Sun Yat-sen explained that "Wang Tao," therefore, was the anthithesis of "Might makes right."

Policy Continued

The policy of the Self-Government Guiding Board, the chief agency in the creation of the new Government, was continued by the Advisory Bureau, which had superseded it. Military officers were not to be allowed to interfere in matters of administration. Regulations governing the qualifications for government service are to be enacted, and appointments are to be made on the basis of the ability of the candidates.

Taxation is to be reduced and placed on a legal basis, and reformed in accordance with sound principles of economics and administration. Direct taxes are to be transferred to the District and Municipal Governments, while the Central Government is to secure the income derived from indirect taxes.

The documents supplied by the Changchun authorities state that a number of taxes have already been abolished, while others have been reduced. Hopes are expressed that readjustment of Government enterprises and Government-owned resources will increase revenue, and that the eventual reduction of the military forces will lessen expenditure. However, for the time being, the financial position of the new State is unsatisfactory. Guerilla warfare has kept military expenditure high, while, at the same time, the Government is not receiving revenues from various normal sources. Expenditure for the first year is now roughly estimated at $85,000,000, against revenue $65,000,000, showing a deficit of $20,000,000, which it is intended to cover by a loan from the newly established Central Bank, as explained hereafter.

The Government declares its intentions, as financial conditions improve, to spend as much as possible of its revenue upon education, public warfare, and development of the country, including reclamation of waste land, exploitation of mineral and forestry resources and extension of the system of communications. It states that it will welcome foreign financial assistance in the development of the country and that it will adhere to the principles of Equal Opportunity and of the Open Door.

The Government has already begun to reopen primary and seconary schools, and it intends to train a large number of teachers who will thoroughly understand the spirit and policies of the new State. A new curriculum is to be adopted, new textbooks compiled, and all anti-foreign education abolished. The new educational system will aim to improve primary schools and to stress vocational education, the training of the primary school teachers, and the teaching of sound ideas as to sanitary living. The teaching of English and Japanese is to be compulsory in the middle schools and of Japanese is to be voluntary in the Primary Schools.

Justice and Police

The "Manchukuo" authorities have decided that in the domain of justice, the interference of administrative authorities should not be tolerated. The status of judicial officers is guaranteed by the law and their salaries are to be adequate. The qualifications for judicial positions will be raised. Extraterritorial rights, for the time being, will be respected, but the Government intends to start negotiations with foreign Powers for their abolition as soon as adequate reforms in the present system shall have been effected. The police are to be properly selected, trained and paid, and completely separated from the army, which is not to be allowed to usurp police functions.

Reorganization of the army is planned, but since at present it consists largely of the old Manchurian soldiery, caution is felt to be necessary in order to avoid increasing discontent and mutnity.

The Central Bank of "Manchukuo" was established on June 14, and officially opened its doors for business on July 1. The bank has its head offices in Changchun, the capital of "Manchukuo" and branches and subbranches to the number of 170 in most of the cities of Manchuria.

The bank was organized as a Joint Stock Company with a charter to run for 30 years. Its first officers were Chinese and Japanese bankers and financiers. It was empowered to "regulate the circulation of the domestic currency, maintain its stability and control the financing service." The capital of the bank was authorized at $30,000,000 (silver) and permission was given it to issue notes against a specie reserve of at least 30 per cent.

The old provincial banks, including the Frontier Bank, were amalgamated with the new Central Bank and their entire businesses, including affiliated enterprises, were turned over to it. Provision was further made for liquidating the non-Manchurian branches of the old provincial banks.

In addition to what it will be able to salvage from the old banks, the Central Bank has a Japanese loan reported at Y.20,000,000 and a subscription to its capital of $7,500,000 (silver) from the "Manchukuo" government on which to establish itself. The bank has planned to unify all the Manchurian currencies by redeeming them for new notes at rates which have been officially prescribed as from July 1, 1932. These notes are based on the silver dollar and are to be covered to the extent of at least 30 per cent by silver, gold, foreign currency or deposits. Whether or not the new currency is to be convertible on demand and without limit into hard money is not made clear in official pronouncements. The old notes will be permitted to circulate for two years from the passage of the Conversion Act but will not be valid after that time.

Not Yet in Circulation

The order for the new Central Bank notes has been placed with the Japanese Government but thus far neither the notes nor the new hard money are in circulation. The present currencies of Manchuria remain what they were prior to September 18, 1931, with the exception that the notes are being surcharged with the signature of Mr. Yung-hou, (the president of the new Central Bank) as they pass through the various banks.

It is not clear how the new "Manchukuo" bank can hope to accomplish its ambitious program of unifying and stabilizing all Manchurian currencies with the limited amount of capital at its disposal. The resources inherited from the old provincial banking institutions with the addition of a loan from Japanese banks and a subscription to its capital from the "Manchukuo" Government seem entirely inadequate for the purpose. Moreover, it is not clear on what basis the financial relations between the bank and the "Manchukuo Government" will be established. According to the preliminary "Manchukuo" budget supplied to the commission by the Finance Minister, "Manchukuo" expects to face a deficit of over 20,000,000 Yuan (*) during its first year of existence. According to the Minister, this was to be covered by a loan from the Central Bank (not then in existence). A government which subscribes 7,500,000 Yuan to its bank and then borrows over 20,000,000 Yuan from it to balance its budget is not establishing either its central bank or its budget on a sound financial basis.

Unless the Central Bank can obtain more actual hard money than it now appears to possess, it can hardly hope to unify and stabilize all Manchurian currencies on a convertible silver dollar basis. Even if it were to succeed in creating a currency which was uniform though not convertible it would possibly have accomplished something, but even a uniform currency, the stability of which is not guaranteed by conversion, falls short of the requirements of a sound monetary system.

Systems Linked

In regard to various public utilities, as well as in regard to the railways, arrangements have been made which have tended to link up the Chinese and Japanese system. Before the outbreak at Mukden the Japanese were anxious to bring this about, but the Chinese consistently refused to give their consent. Between September 18, however, and the formation of "Manchukuo," steps were at once taken to realize the wishes of the Japanese, as already mentioned in the first section of this chapter. Since the formation of the "new State" the policy of the "Manchukuo Ministry of Communications" seems to be to enter into agreements with the South Manchuria Railway Company for the exploitation of at least some of the main railway lines under its authority.

The Chinese telephone, telegraph and radio systems in Manchuria, being entirely Government-owned, had their own executives, and, in addition were subject to a unified control by the Northeastern Telephone, Telegraph and Radio Administration. Since September 18, all three of these systems have been brought into closer co-operation with existing Japanese systems throughout Manchuria. Moreover, arrangements have been made between the Japanese and the Northeastern Telegraph Administration for through telegrams from or to any place in Manchuria and to or from any place in Kwantung Leased Territory, Japan, Korea, Formosa and the South Sea Islands. Between the principal centers in North Manchuria and the Japanese post offices at Dairen, Mukden and Changchun, direct circuit lines have been constructed to ensure the quick transmission of messages.

Japanese "kana" messages have been given especially low rates. To learn to handle Japanese "kana" syllables, special training is being given to the Chinese staff, and it is planned to have Japanese clerks gradually join the Chinese telegraph workers at the chief centers. Thus, every facility has been given to favor telegraphic intercourse between Manchuria and the whole Japanese Empire. Naturally, the commercial connections between the countries are thereby greatly strengthened.

After the events of September 18-19, the Japanese authorities issued orders to the offices and banks in which the revenue of the Salt Gabelle was retained that no payment from these funds was to be made without their consent.

Supervision over the Salt Gabelle was insisted upon on the ground that the greater part of the revenue from this source, though nominally national, had in fact been retained by Marshal Chang Hsueh-liang's government. Income from this source, in 1930, had amounted to about $25,000,000, silver, of which $24,000,000 had been retained in Manchuria. Only $10,000,000 had been remitted to the Inspectorate-General of the Salt Gabelle in Shanghai.

Chang Agreed to Pay

After Marshal Chang Hsueh-liang had joined the National Government in December, 1928, he agreed to pay the monthy quota of $86,600 silver which had been fixed as the amount due from Manchuria toward the loans secured on the Salt Gabelle. Somewhat later, in April, 1930, a revised table was announced in which the Manchurian monthly quota was raised to $217,800. Because of local pressure upon the Manchurian finances, however, Marshal Chang requested a postponement of the new assignment. At the time of the Mukden Incident, his arrears amounted to $576,200. The first remittance at the new rate of $217,800 was actually made on September 29, 1931, by consent of the Japanese army officers. Since then, to March, 1932, inclusive, the newly-established authorities in Manchuria have remitted to the Central Government not only these monthly quotas but also the quota arrears left unpaid by Marshal Chang Hsueh-liang. The surplus from the salt revenue, however, they regarded as Manchurian, and not National income, and therefore considered that they were justified in retaining it for local purposes.

After the Mukden Committee for the Maintenance of Peace and Order had been transformed into the Provincial Government *ad interim*, it ordered the District Salt Inspectorate at Newchwang to transfer all its funds to the Provincial Bank for disbursement by the Board of

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(*) This and the following items in the budget were given as Yen in an interview by the "Manchukuo" Finance Minister with a Commissioner but in the English translation of A General Outline of Manchukuo presented by the "Department of Foreign Affairs, Manchukuo," they are given in terms of Yuan. The commission therefore takes the liberty of using Yuan rather than Yen in its reference to this and the following budgetary items.

The fact that the Chinese symbol for Yuan is the same as the one which the Japanese employ for the Yen has been a constant source of difficulty in dealing with the English and French translations supplied the commission by both the Chinese and Japanese.

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Finance. According to Chinese official reports the Bank of China at Newchwang was, likewise, on October 30, forced to give up the salt funds on deposit, amounting to $672,709.56 silver without authority from the original depositors. A receipt was given in the name of the Liaoning Finance Board, which was signed only by the Japanese adviser to that Board.

The new Kirin Provincial Government took similar steps with regard to the Salt Transportation Office of Kirin and Heilungkiang. According to Chinese official report it demanded the transfer of the salt revenue to its provincial treasury. When the Chief of the office refused, he was detained for some days and replaced by a nominee of Governor Hsi Hsia, who, on October 22, forcibly took possession of the office, while the Auditorate Office was closed under Governor Hsi Hsia's orders. In this case, too, the salt funds deposited in the Bank of China and the Bank of Communications were claimed by the new Kirin authorities, and on November 6, were transferred to the Provincial Bank. Since then salt funds have from time to time been withdrawn and expended by the local authoriites, while the monthly quotas have been sent regularly to Shanghai. From October 30, 1931, to August 25, 1932, for which period Chinese official figures are available, salt revenue amounting to $14,000,000, silver, was retained in Manchuria.

Properties Taken Over

The Salt Administration throughout Manchuria continued to function, although under the restrictions described and under supervision until March 28, when the Minister of Finance of the "Manchukuo Government" ordered that the deposits, accounts, documents and other properties belonging to the Inspectorate should be handed over on the following day to the Salt Comptroller of "Manchukuo" and that the collection of Salt revenue, which was originally undertaken by the Bank of the Three Eastern Provinces. He stated that those officials who wished to continue their service in the Salt Gabelle Administration of the "Manchukuo" should report their names to the Salt Comptroller's office and promised that their applications would receive serious consideration provided they first renounced allegiance to the Government of the Republic of China.

On April 15, the District Inspectorate at Newchwang was dissolved by force. The Director and Deputy-Director were put out of office. The premises were occupied and safes and documents and seals were seized. The remaining officials were requested to continue their service, but they are all reported to have refused. A number of those who had been in the Salt Administration followed the Director to Tientsin and waited for further instructions from Shanghai. The work of the former Salt Inspectorate in the Three Eastern Provinces was thus completely taken over by the new Comptroller's Office of "Manchukuo." The new "Government," however, has stated that it is prepared to continue to pay its equitable proportion of the sums required for the service of the foreign loans secured on the salt revenue.

Since the customs funds collected in Manchuria had always been remitted to the Central Government, the Japanese military authorities did not interfere with the customs administration nor with the remittance of funds to Shanghai. Interference with this revenue was first made by the "Manchukuo Government" on the ground that their "State" was independent.

One of the first acts of the Northeastern Administrative Committee, which was established on February 17 as the Provincial "Government of Manchukuo," was to instruct the Superintendents of Customs at the Manchurian treaty ports that although the customs revenue belonged of right to "Manchukuo" and would, in the future, be under the control of the committee, for the time being the Superintendents and Commissioners of Customs should carry on their duties as usual. They were informed that a Japanese Customs Adviser had been appointed at each Manchurian port for the purpose of supervising the general Customs administration. The ports concerned were Lungchingtsun, Antung, Newchwang and Harbin, together with some sub-stations, at which the revenue collected in 1931 amounted respectively to HK. Tls. 574,000, 3,682,000, 3,792,000 and 5,272,000. The port of Aigun, which is still outside the sphere of control of the "Manchukuo Government," is functioning under the Chinese Customs Service. The port of Dairen, in the Kwantung Leased Territory, has a distinct status. The fact that the customs revenue collected in the Manchurian ports, including Dairen, amounted in 1930 to 14.7 per cent and in 1931 to 13.5 per cent of the total for all China, shows the importance of Manchuria in the Chinese Customs Administration.

Antung Procedure Described

The procedure by which the "Manchukuo" authorities took over the entire customs administration in Manchuria, is well illustrated by the action taken at Antung, which has been described as follows by the Inspectorate-General of Customs:

A Japanese Customs Adviser was appointed to the Antung Customs Office in March, but he took no active steps until the middle of June, when he sent definite orders from the "Manchukuo" Ministry of Finance to the Bank of China that customs funds were no longer to be remitted to Shanghai. On June 16, four armed "Manchukuo" police, accompanied by the Assistant Superintendent of Police, a Japanese, visited the Bank of China and informed the manager that they had come to guard the revenue. On June 19 the Bank of China handed over to the Bank of the Three Eastern Provinces Tls. 783,000 and informed the commissioner that this action was taken as a result of force majeure.

On June 26 and 27 a Japanese Adviser of the "Manchukuo Government" demanded that the Customs House at Antung should be handed over to him. The commissioner refused, but "Manchukuo" police, all Japanese subjects, forced the commissioner to leave the Customs House. The commissioner, however, still attempted to carry on the customs work in his home, since 80 per cent of the Antung customs revenue is collected in the railway area, hoping that the Japanese authorities would not permit interference within this area. But the "Manchukuo" police entered the Japanese railway area, arrested a number of the customs staff, intimidated the others and forced the commissioner to suspend the Chinese Customs Service.

Until June 7, the Dairen Customs revenue was remitted to Shanghai at intervals of three or four days, but, under date of June 9, the "Manchukuo Government" gave notice that these remittances should no longer be made. When no further funds reached Shanghai, the Inspector-General of Customs took up the matter by telegraph with the Japanese commissioner at Dairen. As a result the commissioner refused to send on the customs receipts on the ground that the Chief of the Foreign Section of the Government of the Japanese Leased Territory had advised him that the remittance of the customs revenue might severely affect Japanese interests. The Inspector-General, therefore, on June 24, dismissed the Dairen commissioner for insubordination.

Named Manchukuo Officials

The "Manchukuo Government" on June 27, appointed the dismissed commissioner and the members of his staff as "Manchukuo" officials, to serve in their former positions. It had threatened to establish a new Custom House at Wafangtien, on the frontier of the Leased Territory, if the Japanese authorities should prevent them from taking charge of the Dairen customs. The Japanese authorities of the Leased Territory did not oppose the passing of the customs administration into the hands of the newly-appointed "Manchukuo" officials. They maintained that the problem did not concern Japan, but was an issue solely between "Manchukuo" on the one hand the Government of China and its Dairen commissioner on the other.

The "Manchukuo Government" maintains that, since "Manchukuo" is an independent state, it exercises the right of complete jurisdiction over the Customs Administration of its territory. But it has stated that, in view of the fact that various foreign loans and indemnities were based upon the Chinese customs revenue, it is prepared to pay its equitable proportion of the annual sums necessary to meet these obligations. It hopes that after depositing this amount in the Yokohama Specie Bank, there will be a customs surplus for 1932-1933 available for local use of about $19,000,000 silver.

The Japanese military authorities in Manchuria after September 18 did not greatly interfere with the Postoffice, apart from exercising a certain censorship of newspapers and letters. After the establishment of "Manchukuo" the "Government" desired to take over the postal services of the territory, and appointed, on April 14, special officers to take charge of the transfer of the postal administration. On April 24, it applied for permission to join the International Post Union for which they have not yet qualified.

As the Postal Commissioners refused to surrender their offices, the *status quo* was for some time respected, although "Manchukuo" supervisors were placed in certain offices with a view to exercising a measure of control. The "Manchukuo Government,", however finally decided to issue its own stamps and to discontinue the use of the Chinese stamps. By ordinance of the Ministry of Communications of July 9, it informed the public that the new stamps and cards would be offered for sale on August 1. At this stage the Chinese Government ordered the Postal Commissioners to close the offices in Manchuria and to give the staff the choice of receiving three months' pay or of returning to designated bases in China for service at other places. The "Manchukuo" authorities in turn offered to take into their service all the postal employees who wished to remain and promised to guarantee their financial and other rights acquired under the Chinese Administration. On July 26 the "Manchukuo Government" took over completely the postal service throughout Manchuria.

Private Property

The "Manchukuo Government" has stated that it will respect private property and all concessions awarded by either the Central Government of Manchuria, provided the concessions were legally granted in accordance with the laws and regulations previously in force. It has also promised to pay the lawful debts and obligations of the former administration and has appointed a commission to pass upon claims of indebtedness. In regard to the properties belonging to Marshal Chang Hsueh-liang and some of the other prominent leaders of the former regime, it is yet too early to state what action will be taken. According to Chinese official reports, all the personal property of Marshal Chang Hsueh-liang, General Wan Fu-lin, General Pao Yu-lin and certain others has been confiscated. The "Manchukuo" authorities, however, take the view that since the former Government officials used their power to amass wealth for themselves, they are not yet prepared to recognize property thus acquired as properly "private property." A careful investigation is being made of the possessions of the former officials. This is reported to have been finished as far as bank deposits are concerned.

Having thus described the organization of the "Manchukuo Government," its program and some of the measures it has taken to affirm its independence from China, we must state our conclusions regarding its operations and its principal characteristics.

The program of this "Government" contains a number of liberal reforms, the application of which would be desirable not only in Manchuria but in the rest of China; in fact, many of these reforms figure equally in the program of the Chinese Government. In their interviews with the commission the representatives of this "Government" claimed that with the help of the Japanese they would be able to establish peace and order within a reasonable time, and would thereafter be able to maintain it permanently. They expressed the belief that they would be able to secure the support of the people in time by assuring them an honest and efficient administration, security from bandit raids, lower taxation as the result of reduced military expenditure, currency reform, improved communications and popular political representation.

But after making every allowance for the short time which has hitherto been at the disposal of the "Manchukuo Government" for carrying out its policy and after paying due regard to the steps already taken, there is no indication be able to carry out many of its reforms. To mention but one example, there seems to be serious obstacles in the way of the realization of their budgetary and currency reforms. A thorough program of reforms, orderly conditions and economic prosperity could not be realized in the conditions of insecurity and disturbance which existed in 1932.

Titular Heads Chinese

As regards the "Government" and the public services, although the titular heads of the Departments are Chinese residents in Manchuria, the main political and administrative power rests in the hands of Japanese officials and advisers. The political and administrative organization of the "Government" is such as to give to these officials and advisers opportunities not merely of giving technical advice but of actually controlling and directing the administration. They are doubtless not under the orders of the Tokyo Government, and their policy has not always coincided with the official policy either of the Japanese Government or of the Headquarters of the Kwantung Army. But in the case of all important problems these officials and advisers, some of whom were able to act more or less independently in the first days of the new organization, have been constrained more and more to follow the direction of Japanese official authority. This authority, in fact, by reason of the occupation of the country by its troops, by the dependence of the "Manchukuo Government" on those troops for the maintenance of its authority both internally and externally, in consequence, too, of the more and more important role

entrusted to the South Manchuria Railway Company in the management of the railways under the jurisdiction of the "Manchukuo Government," and finally by the presence of its consuls, as liaison agents, in the most important urban renters, possesses in every contingency the means of exercising an irresistible pressure. The liaison between the "Manchukuo Government" and Japanese official authority is still further emphasized by the recent appointment of a special ambassador, not officially accredited, but resident in the capital of Manchuria, exercising in his capacity of Governor-General of the Kwantung Leased Territory a control over the South Manchuria Railway Company and concentrating in the same office the authority of a diplomatic representative, the head of the consular service and commander-in-chief of the Army of Occupation.

The relations between "Manchukuo" and Japan have hitherto been somewhat difficult to define, but the latest information in the possession of the commission indicates that it is the intention of the Japanese Government to define them before long. A letter dated August 27, 1932, addressed to the commission by the Japanese assessor, states that the Special Ambassador, General Muto, "left Tokyo on August 20 for Manchuria. On arrival he will commence negotiations for the conclusion of a fundamental treaty concerning the establishment of friendly relations between Japan and Manchuria. The Government of Japan regards the conclusion of this treaty as a formal recognition of Manchukuo."

(To be Continued)

THE TRIBULATIONS OF THE CHINA MERCHANTS S. N. CO.

(Continued from page 516)

After spending a night at the Headquarters of the Public Safety Bureau, Mr. Li was removed on Monday morning to a private house near-by which is being closely guarded by police. In view of the seriousness of the charge, he is not allowed to receive visitors before the investigators have completed their probe.

Marquis Li, also known as W. H. Li, is the eldest grandson of Marquis Li Hung-chang, and inherited the title of Marquis from his grandfather, by which he is frequently called. Born at Hopei, Anhwei, he is forty-one years old. During the closing days of the Ching Dynasty in 1901, he was made the assistant chamberlain, commanding the Palace Guard and a little later was appointed senior councillor of the Board of Agriculture, Works and Commerce. Between 1910-12, he served as Chinese Minister to Belgium. After establishment of the Republic, he was made a member of the Advisory Council of the President in 1914. Since 1924, he has been living in retirement in Shanghai, taking a special interest in the China Merchants Steam Navigation Company which was founded by his grand-father and of which he was until a few days ago general manager.

Three separate sets of Provisional Regulations relating to the reorganized China Merchants Steam Navigation Company, Ltd. were adopted at the first joint meeting of the Boards of Directors and Supervisors Nov. 14. Under the General Manager there are six departments, namely, (1) general affairs, (2) business, (3) shipping, (4) wharf, (5) accounting, and (6) property. Besides the six departments, there will be an engineering office, in charge of a chief engineer and two assistant engineers (a marine engineer and a civil engineer). The regulations also define in detail the functions of each of these six departments.

Chen Fu-moh, until recently Vice Minister of Communications, at present in Hongkong, has been requested by the National Government to return to Shanghai and explain his connection with the negotiations with the China Realty Co. Chen is alleged to have failed to observe government regulations in approving the loan agreement.

Japanese Reactionary Indicted in Tokyo

Hideo Toyama, the son of the veteran reactionary leader, who was arrested on November 5, has been indicted in Toyko on charges of murder, attempted murder and violation of the law regulating the handling of explosives. The indictment was decided upon Nov. 10. two day after Toyama's confession that he had supplied six revolvers to a naval officer who was involved in the bomb outrages of May 15, which resulted in the death of Premier Inukai. Toyama is the third son of Mitsuro Toyama. His home was raided on November 5 following a suspicion that he was involved in a serious intrigue.

Dollar Line Inaugurates 17-Day Schedule to San Francisco

Commencing with the sailing of the s.s. *President Grant*, Dec. 9 all the homeward boats to San Francisco of the Dollar Line will depart from Shanghai on Saturdays instead of Fridays, thus shortening the schedule by 24 hours and instituting a 17-day service from Shanghai to San Francisco.

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Men and Events

Dr. W. W. Yen's son has enrolled as a student at the Sandhurst Military Academy in England.

Wang Ching-wei, President of the Executive Yuan, is due to arrive at Marseilles on November 26.

W. Y. Ren, who had charge of the Chinese library at Columbia University, N. Y. has joined the staff of the Peiping Public Library.

Miss Blanchette Huntington Hooker of Cleveland and John D. Rockefeller III, were married at the Riverside Baptist Church, New York, Nov. 11.

The death occurred at Tsingtao last week of Iva N. Blackwell, an American citizen aged 38 years, employed by the British-American Tobacco Co.

Miss Tso Wai-iu, daughter of Mr. and Mrs. Tso Sen Kun, was married last week in Hongkong to Dr. Cheung Shiu-fan, son of the late Cheung Hing-tin.

A Mass for Peace was held in Lyons, France, Nov. 11 at the Chapel for Foreigners, in the presence of the authorities of the city. The mass was said by a Chinese priest.

The Shanghai Municipal Council has approved the revised plan and map of Shanghai and environs and decided that the order for lithographing will be placed with Kelly & Walsh, Ltd.

More than a thousand Russians in Harbin obtained citizenship papers from Manchukuo in the period from June until the end of October, according to a recent *Reuter* telegram from Changchun.

Y. L. Tong, former Vice-Minister of Foreign Affairs, has been appointed professor of tariff history at the Customs College, Peking, in succession to the dean, Shih I-hsuan, who has resigned.

Secretary General Fessenden and Japanese Consul General Ishii conferred during the week concerning the possible rendition of the outside roads of Shanghai to the Chinese, but no decision was arrived at.

Wu Tang, Chinese law student at the University of Oregon was awarded the first prize amounting to G.$100 in the college "Warner Essay Contest." His essay dealt with Chinese-American relations.

The Kaifeng correspondent of the *Review* writes that the remnants of the Heavenly Gate Society, under the leadership of Han Yu-cheng, have recently become active again on the Honan-Shansi border.

Yu Chung-han, president of the Control Yuan of Manchukuo, died at Dairen, Nov. 12, at the South Manchuria Railway hospital of unexplained causes. Yuan Chin-kai, a state councillor, is scheduled to succeed him.

A 25-volume history of Shanghai is being prepared by the History Compilation Bureau of the City Government of Greater Shanghai. A staff of 30 officials is working under the direction of Liu Ya-tze and P. K. Chu.

T. K. Hsieh, manager of a silk company at Wusih, Kiangsu, was one of the chief speakers at the annual convention of the American section of the Institute of Chinese Engineers which was held at International House, New York on Sept. 10.

"What I Think of The Lytton Report" was the subject of a very interesting and timely lecture given by L. T. Chen, director of the Extension Department, Kincheng Banking Corporation, at the Foreign Y.M.C.A. Tuesday, November 15.

Members of the Provisional Board of Councillors of the Municipality of Greater Shanghai will be prohibited from appointing personal delegates to attend any sessions of the board on their behalf, according to a decision reached at a recent session of the board.

The Pok Sing Book Store in Shanghai, which was involved in a recent dispute over publication of a novel alleged to have insulted the Mohammedan religion, has closed its doors, pending satisfactory settlement of the issue with local Mohammedans.

Mei Lan-fang, the leading female impersonator of the Chinese stage, at present in Peiping, has received a letter from the committee in charge of preparations for China's participation in the Chicago Exposition next year, requesting him to make another tour of the United States in 1933.

The steam yacht *Apo*, the former pleasure boat of the late King Manuel of Portugal and later the official yacht of the Governors General of the Philippines, has been sold to a Chinese firm and will be used as a freight and passenger carrier between Manila and South China ports.

Thus the *Japan Chronicle* of Nov. 8:—Mr. Matsuoka having told Karakhan all about conditions in Japan, Mr. Karakhan sympathetically said that Russia is in the same state as Japan. What could Mr. Matsuoka have told him? Surely he did not tell him about the recent sentencing of Communists!

Petitions asking pardon for General Cheng Chi-chen, the slayer of the former Shantung warlord, Chang Chung-chang, on the goound of extenuating circumstances, were considered at a meeting of the Central Executive Committee at Nanking Nov. 14. The plea was referred to the Judicial Yuan for further consideration.

A typhoon which swept the east coast of Japan on the night of Nov. 14 caused widespread damage to houses, bridges and public buildings. The known dead are 263, in audition to 26, missing. In Tokyo three persons were killed, one hundred and one houses were completely wrecked, 2,400 partially destroyed and 39,700 inundated.

Memorial services were held at Central Party Headquarters Nov. 12 on the occasion of the birthday anniversary of the late Dr. Sun Yat-sen. An order was issued, however, that no holiday was to be observed by the schools, which functioned as usual in view of the national crisis. The government offices also remained open.

Miss Gertrude Chen of Peiping was the first Chinese student to receive a degree from the National Catholic School of Social Service, Washington, D. C. Previously she had received an M. A. degree from Mary Manse School at Toledo, Ohio. Miss Chen has returned to Peiping where she will engage in child welfare and hospital service.

Arrangements have been made whereby the American Consuls in Istanbul (Constantinople), Smyrna, Danzig, Helsingfors and Prague, where there are no Chinese Consuls, will look after the certification of invoices of goods destined for China, as required by recently enacted Customs regulations.

Nanking to Shanghai in five hours, and to Hangchow in seven and a half hours is the railway program being sponsored by Cheng Pao-chao, Traffic Manager of the Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railway. The speeding up is made necessary as the result of motor competition on the new highways.

The shopkeepers of Tungchow, a town on the lower Yangtsze, declared a business strike Nov. 7 as a protest against the action of the local anti-Japaness Boycott Association in confiscating about 100 reams of Japanese paper bought by a Chinese restaurant. However, it appears that what the shopkeepers are really aiming at is a reduction in the business tax.

Dr. Roy Chapman Andrews arrived back in New York last week. During the winter months he plans to remain in New York getting out his book, "The New Conquest of Asia—a Narrative of the Explorations of the Central Asiatic Expeditions." In the springtime, unless the Manchurian warfare prevents, Chapman hopes to continue his explorations into north-central Asia.

The Chief of the French Police gave notice end of last week that no seizures of property mortgaged for debts would in future be allowed in the Shanghai French Concession without the formality of a Court order. The order followed complaints made by debtors that creditors had invaded private premises and carried off mortgaged property without any legal formality.

Charles P. Howland, leading American lawyer and who is well-known in the Far East in connection with the Pacific Relations conferences, was killed in New Haven, Connecticut, Nov. 13, by being knocked down by a fast travelling motorcar. He was 63 years of age. Recently Mr. Howland had been working on plans for a diplomatic settlement between China and Japan.

Three men and a woman were arrested and a case of curios, valued at $800,000, which they are alleged to have stolen from the Nantungchow Museum, was seized by officers of the Shanghai Bureau of Public Safety last week. The Nantungchow Museum was established by the late Chang Chien, the last man in China to have won the highest honors of the imperial examinations. It houses one of the best collections in China.

A *United Press* telegram from Nanking, Nov. 12, stated that the Chinese authorities are attempting to force Drysdale & Co., British import and export firm and one of the leading insurance agencies in Nanking, to pay the business tax. Drysdale & Co. have refused to comply with the demands of the Chinese, standing upon their treaty rights. The case has been taken up with the British Consulate by the Nanking municipal authorities.

James P. Mills, special traveling correspondent for the *Associated Press*, who has been in Shanghai for several days, departed on Tuesday of this week for Manchuria.

A British ship's engineer named McMurtie was fined $32.50 at the British Supreme Court in Shanghai during the week for discharging a revolver in Nantao, Chinese suburb of Shanghai.

A conference of the association of American Exporters attended by representatives of more than 200 exporting firms was held in New York beginning of November, the chief purpose of which was to discuss ways and means of increasing trade with Soviet Russia.

Dr. David A. Brown, chairman of the American China Famine Relief Association, will be the chief speaker at a meeting of the American University Club on Tuesday, Nov. 22. The meeting will be held at the Ladow Tavern, 33 Ningpo Road. Mr. Brown arrived in Shanghai this week following a tour of north China.

Commander Cleveland McCauley, United States Naval Attache in Peiping, last week received a letter from President Hoover congratulating him on the achievement of Destroyer Division Thirteen, his command for the past year, in winning the battle efficiency honors for that period.

The premises of the German firm of Reuter, Brockelmann & Co., and the warehouse of the Union Brewery in Minghong Road, Shanghai, were damaged to the extent of several hundred thousand dollars by a fire which broke out on the night of November 11. Both firms are adequately covered by insurance.

An organization for the promotion of international goodwill was formally inaugurated in Tokyo Nov. 11 on the first anniversary of the death of the late Viscount Shibusawa. Formation of the group is being led by Baron Seinosuke Goh, president of the Tokyo Chamber of Commerce and Industry, with temporary headquarters at the Japan Industrial Club.

Robert Somers Brookings, graduate of the University of Missouri and retired merchant, manufacturer and philanthropist, died on Nov. 16 at the age of 82 years. Mr. Brookings was the founder of the Brookings Institute, Washington, D. C., which has been interested in scientific investigations in China. Mr. Brookings also was a director in the Carnegie Institute.

Approximately six hundred guests of all nationalities attended the ball held at the Shanghai French Club on the evening of November 10 to celebrate the 157th anniversary of the U.S. Marine Corps. Colonel R. S. Hooker, commanding officer, and Lieutenant-Colonel F. C. Barker, executive officer of the 4th Marines, officer and wives, acted as hosts. The Marine Band furnished the music.

The Japanese *Press Union* announced the suspension of its service during the week. In making the announcement the *Union* stated that the *Shimbun Rengo* service was in a position to furnish Japanese news as usual. The *Press Union* service was started at about the same time as the descent upon Chapei and received a subsidy from Japanese interests. Its bulletins were issued in the English language.

The trial of the two Russian White Guards, Afshar and Elaguin, on a charge of forging documents for use against the Soviet Union, which opened in Berlin on August 9, ended on Nov. 13, when the Court found Afshar guilty of a "petty offence" and sentenced him to two weeks' imprisonment, while his accomplice, Elaguin, was acquitted. Their "business," it was alleged, was to make to order any documents in the Russian language which foreign governments might wish to use to "prove" a case against the Soviets.

Peiping as It Is To-day

Conditions in Peiping, the former Capital of China, at present, as compared with several years ago, were covered in the course of a symposium in the *North China Daily News* during the week. The correspondent stated that railway facilities and streets had improved, but the lighting was worse. The police force had been augmented and street traffic is better controlled. The present population of Peiping had to meet higher taxation with decreased revenue. Some of the taxation was described as arbitrary. An increase in the opium habit was noted. Discussing Chinese-foreign relations the correspondent stated that he could observe no change—in fact so far as the great mass of Chinese was concerned they were oblivious of the existence of foreigners in the country.

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Who's Who in China

Fu Tung, university professor and writer; born at Langfeng, Honan, 1887; received his preliminary education at Kaifeng Middle School, Honan; studied at Kobun School, Sugamo, Japan and the Tokyo University, Tokyo; pursued his advanced education in England where he attended the University of Birmingham and University of Oxford; since his return, he has successively served as professor at the Peking Government University and Peiping High Normal University, Peiping; president of Northwest University, Shensi; now, dean of department philosophy, Peiping Government University; editor of Philosophical Journal, Peiping; writer of articles and treatises on topics of philosophy and kindred subjects; some of his essays have been included in Hasting's Encyclopedia of Religion and Ethics; address: Peiping Government University, Peiping.

傅 桐
Fu Tung

傅桐字佩青，年四十五歲，生於河南蘭封縣，畢業開封中學後，即赴日留學入東京巢鴨宏文學院及東京東洋大學，繼轉英先後肄業于伯明海大學及牛津大學，專攻哲學及倫理各科，回國後歷任國立北京大學教授，北京師範大學教授，國立西北大學校長，現任北平大學哲學系主任及北平哲學社社長，及該社所出之哲學雜誌總編輯，其論文散見於上述雜誌及海司丁氏所編之宗教及倫理百科全書等。

Swiss Dye Firm Scores Decision Against Chinese Imitator

The Shanghai branch of the Society of Chemical Industry of Basle successfully appealed during the week, through their attorney N. F. Allman, to the Chinese Bureau of Trade Marks against a previous decision which would have allowed the Yue King indigo hong to infringe their "deer" trade mark. In the previous decision the examiners pointed out various differences between the foreign and Chinese "deer" trademarks and gave a decision for the Chinese firm accordingly. In his argument before the higher court Mr. Allman argued that the right way to judge the question was to note the similarities of the two marks, which would undoubtedly show intention to imitate. The Court decided that the Swiss firm had registered its "deer" mark first and was therefore entitled to the sole use of said design.

Famine Relief Workers Tour Kansu Province

A recent telegram from Lanchow stated that David A. Brown, chairman of the China Famine Relief, U.S.A. had arrived there from Sianfu by airplane accompanied by George F. Andrew, Field Secretary of the China International Famine Relief Commission in Peiping. Mr. Brown was met at the airdrome by Shao Li-tze, Chairman of Kansu, and General Teng Pao-shan, Pacification Commissioner, and also representatives of various circles in the Kansu capital city. After inspecting the Sianfu-Lanchow motor road, he flew to Kaifeng and Peiping, returning to Shanghai Nov. 17.

New Books of Interest in the Far East

Romantic Journalism

I Fly for News, by Larry Rue; published by Albert and Charles Boni, Inc., New York.

Those who like their journalism romantic will find Mr. Rue's book a genuine treat. Mr. Rue, correspondent for the *Chicago Tribune* in Europe and the Near East, opens his book with a thrilling chapter on flying "into forbidden Afghanistan" to interview Ex-King Amanullah when that potentate was in the sunset of his reign. A civil war was then going on in Afghanistan, and at the best the country is difficult to enter, so Mr. Rue had heaps of adventure on his trip but he got there and got his story even as the Canadian Royal Mounted always get their man.

Subsequently, the *Chicago Tribune* supplied Mr. Rue with his own airplane. Since he was a world war aviator he was an experienced and competent pilot although with almost a passion for getting into difficulties, such as being stranded once in the Lybian desert. But it is such difficulties, sometimes very inconvenient in the actuality but romantic in the reprospect, that are the warp and woof of journalistic adventure. So Mr. Rue's book is full of delightful thrills.

In flying his own plane "for news," his course first led from London to Turkey, then through Palestine, then along the coast of North Africa through Egypt, Lybia, Tunis, Algeria, and Morocco, and thence through Spain and Italy back to Vienna, where Mr. Rue made his home during the years under review.

In addition to a detailed description of this trip, Mr. Rue also tells how he once interviewed Abd-el-Krim, who a few years ago led the North African Riff in a fierce, prolonged assault on Spain and France. The Riff leader is now in exile on Reunion Island in the Indian Ocean. Mr. Rue saw him when he was in the height of his power and was quite impressed by him, although even more impressed by the Spanish gunfire encountered upon attempting to return from the Riffian area to the zone held by the Spanish. All in all, it is an exceedingly interesting tale that Mr. Rue has to tell.

Mr. Rue writes in a breezy, informal style, but at times he appears to be laboring considerably to be breezy. Such a phrase as "the old heart" this, that, etc., becomes somewhat annoying after the 100th repetition.

Mr. Rue frankly has no interest in journalism except in its more romantic phases. Nowhere does he attempt to analyze the desperate effort of the French and Spanish to conquer the Riff, or the underlying causes of French and British aggression in the Near East. While Mr. Rue displays quite a bit of sympathy with the native opponents of imperialism, he does once venture the opinion that the Europeans generally give the African natives better living conditions than had previously existed. Doubtless so, but as Mr. Rue finds, the natives are generally most unappreciative.

But one does not expect Mr. Rue's book to be a treatise on economic aspects of the stories he has covered. One only expects it to be intriguing adventure, and in that Mr. Rue does not disappoint. W.B.

To Roy Chapman Andrews

Across The Gobi Desert, by Sven Hedin; George Routledge & Sons, Ltd., London.

Very breezy and pleasant reading is this book by the famous Swedish explorer, Mr. Hedin, and it certainly provides much relief from the recent fulminations of that pseudo-explorer and dinosaur egg racketeer, but adept publicity expert, Roy Chapman Andrews.

In fairness, it should be added, Mr. Hedin makes only the most pleasant mention of Mr. Andrews, which is only to be expected in view of the conventions in such matters, but the two men have only one thing in common,—a liking for the Gobi desert. Mr. Andrews, however, appears interested in the Gobi only insofar as he can transmute its sand into gold on the American lecture platform or by articles in the *Saturday Evening Post* (not to mention the usufructs of a monoply on its dinosaur eggs), while Mr. Hedin exudes the spirit of the genuine adventurer who likes exploring for its own sake and that of science even though he naturally may not be adverse to some subsequent compensation in cash.

Further, Mr. Andrews expects to come to China and capitalize it to his heart's content without any consideration of the Chinese, and when they object he rends the air with polemics on Chinese ingratitude, unreasonableness, *et cetera ad nauseam*, concluding with a welcome transfer of his press agent activities to the bandit-ridden "paradise" of Manchukuo. Now it is altogether possible that the Chinese have shown a certain amount of unreasonableness to foreign explorers, pseudo and otherwise, for unreasonableness frequently develops in reaction to prolonged exploitation, but Mr. Hedin was able to solve all his difficulties even though with some delay and gain the wholehearted cooperation of the Chinese.

Also, unlike Mr. Andrews, Mr. Hedin found the Chinese who accompanied his expedition to be not only efficient in their assigned tasks, scientific and otherwise but amiable companions, and he devotes many pages to praise of their work. And it is not difficult to guess the reason why the breezy and very human Mr. Hedin was able to win Chinese friendship while Mr. Andrews, with his truly British racial superiority complex (although he is an American) and domineering, egotistical attitude, failed to realize any Sino-foreign harmony.

Mr. Hedin's expedition was both pretentious and extensive, and it blazed a trail, partly over areas he had explored alone in his youth many years before, from Peking over the Gobi north of the Great Wall to Chinese Turkestan. And his book combines science with thrilling adventure, including 114 unusually excellent illustrations. One chapter, incidentally, gives a highly intriguing account of Marshal Yang, the little known governor of Sinkiang, or Chinese Turkestan, from the 1911 revolution until his assassination a few years ago. Another section is devoted to the important and interesting geological phenomenon of Lop-nor, the wandering lake in Sinkang.

Shanghai, November 5, 1932. W. B.

Religion and the White House

Religious Background of the White House, by Vernon B. Hampton. Christopher Publishing House, Boston. $3.00 (U.S.)

That the leadership of the United States has been profoundly influenced by religion, no student of history would attempt to deny. Theoretically, there are no religious requirements for the presidency. Practically, the people have shown a preference for religious men in the White House.

The White House should stand as an emblem of the religious freedom which has been America's pride. And yet the presidents themselves have shown more religious toleration in their appointments to office then have the people in choosing their chief executives. During the last fifteen years indeed, so much has been made of the religious issue in presidential campaigns that one may well ask: "Is America getting more and more intolerant religiously?"

Objections, to be sure, were raised to Thomas Jefferson's unorthodox views. He was not irreligious. Nor was President Taft, though vigorous criticism was made of his Unitarianism through the medium of certain religious journals. The American people in thousands of communities have looked askance upon Unitarianism and thus have indicated their tendency to insist on certain religious qualifications for the Chief Executive. And yet five presidents have been of that faith.

Again, the assertion is openly made from time to time that America is a Protestant country, and that no Catholic could be elected to the presidency. This custom has come to be akin to an unwritten law. It is even probable that General William T. Sherman might have been president in 1880 had he not had a Catholic wife. But be it said to his credit, that when he knew of the whisperings that were abroad, he refused the candidacy, saying:

> "Much as I myself would appreciate the honor, for personal and family reasons I must decline. My wife is a Catholic. She is already suffering from the hidden slander that has begun to circulate due to mention of my name, and my regard for her forbids further ambitions in the direction of the White House if such is the price of entrance."

Again when James G. Blaine, who had a Catholic mother and whose sister was a Mother Superior, although contrary to rumor he was not a Catholic himself, was challenged to come out in the open, flat-footed, on the question of religion, he declared that he "would never bring the subject of religion into politics, nor for a thousand

In the United States Court for China

WILLIAM A. PARCELL, Plaintiff, vs. MARY CULLEN PARCELL Defendant.

Cause No. 3492
Civil No. 1566
ORDER
Filed at Shanghai, China
November 9th, 1932.
JAMES M. HOWES
Clerk

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorneys, has this 9th day of November, 1932, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 9th day of November, 1932, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 9th day of November, 1932, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since three years, and that defendant's last known address was 5 Ellwood Avenue, Charleston, Mass.

NOW, THEREFORE, it is this 9th day of November, 1932, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, Shanghai, China, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 26th day of November, 1932, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
this 9th day of November, 1932.

MILTON D. PURDY
Judge.

In the United States Court for China

ALFRED NELSON, Plaintiff, vs. LILLIAN NELSON, Defendant.

Cause No. 3486
Civil No. 1562
ORDER
Filed at Shanghai, China
November 4th, 1932.
JAMES M. HOWES
Clerk

The object of this suit is an application for divorce.

WHEREAS, plaintiff herein, by his attorneys, has this 3rd day of November, 1932, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 4th day of November, 1932, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 3rd day of November, 1932, the plaintiff herein filed an affidavit to the effect that the defendant does not reside in China, and that defendant's last known address was 60 Granite Street, Gloucester, Mass., U.S.A.

NOW, THEREFORE, it is this 4th day of November, 1932, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review" a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 26th day of November, 1932, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
this 4th day of November, 1932.

MILTON D. PURDY
Judge.

In the United States Court for China

EDWARD S. KERSEY,
Plaintiff,
vs.
NELL KERSEY
Defendant.

Cause No. 3487
Civil No. 1563
ORDER
Filed at Shanghai, China
November 4th, 1932.
JAMES M. HOWES
Clerk

The object of this suit is an application for divorce.

WHEREAS, plaintiff herein, by his attorneys, has this 4th day of November, 1932, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 4th day of November, 1932, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 4th day of November, 1932, the plaintiff herein filed an affdavit to the effect that the defendant does not reside in China, and that defendant's last known address was West Virginia, U.S.A.

NOW, THEREFORE, it is this 4th day of November, 1932, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review" a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause Her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 26th day of November, 1932, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
this 4th day of November, 1932.

MILTON D. PURDY
Judge.

In the United States Court for China

ZENA MIKOLAICHIM
Plaintiff,
vs.
WLADIMIR MIKOLAICHIM
Defendant

Cause No. 3494
Civil No. 1568
ORDER
Filed at Shanghai, China
November 14, 1932
Sgd. L. T. Kenake
Asst Clerk

The object of this suit is an action for Divorce,

WHEREAS, plaintiff herein, by her attorneys, has this 11th day of November, 1932, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 11th day of November, 1932, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 11th day of November, 1932, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he ever resided in China, and that defendant's last known address was 425 W. 55th Streeet, corner of Broadway, New York City, N. Y.

NOW, THEREFORE, it is this 14th day of November, 1932, ORDERED that service upon the defendant be made by publicatiin once a week for three consecutive weeks in the "CHINA WEEKLY REVIEW" Shanghai, China,....., a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 3rd day of December, 1932, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
this 14th day of November, 1932.

MILTON D. PURDY
Judge.

presidencies utter a word disrespectful of my Mother's religion."

However, while the author begins and closes his book on this theme of religious toleration, it is not his main thesis. Much more space is given to showing the religious background of the presidents and the First Ladies who have occupied the White House. No less than twelve presidents or their wives have come from parsonage homes, and most of the others have been religiously trained in lay homes. Garfield, the preacher-president, Arthur, the courtly president, Cleveland, the political prodigy, Wilson, whom the author calls the *greatest parsonage president*, and Hoover, son of a Quaker preacher-mother, have all journeyed to the White House from the manse. Seven First Ladies,—Abigail Adams, Abigail Fillmore, Jane Pierce, Mary McElroy (sister-hostess for President Chester A. Arthur), Rose Cleveland, Caroline Harrison, and Ellen Wilson—were daughters of ministers. The individual story of each is fascinating, and women of charm and ability these parsonage daughters have been.

The author cannot lay claim to marked literary style. An annoying form of sentence structure which he makes frequent use of is the following: "She was of clerical ancestry, descended from the Reverend Orlando Jones, a clergyman of Oxford County, England, he being the first of the family to come to America in 1674." If someone could have gone through the author's manuscript, changing "he being" in every case to "who was," it would have made for smoother reading. However, the book is interesting reading and valuable for reference, and the bibliography covered by the author is truly remarkable, filling twelve pages at the close. Anyone who enjoys biography will enjoy the biographical sketches of this book.

G. T. F.

READERS of *The China Weekly Review* who may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*....If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, plus postage, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*, 38 Avenue Edward VII, Shanghai.

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LEAGUE ATMOSPHERE MUDDLED AT OPENING OF MANCHURIAN DISCUSSIONS

(*Continued from page 512*)

crew turning over. The men are stated to have killed and thrown overboard all their officers and all of their comrades who declined to join the mutiny. After this the Kuomintang flag was hoisted and the gunboat got up steam and sailed towards the Amur, three miles away. At the entrance to the Amur the Chinese gunboat was stoppted by a Soviet river gunboat which declined to permit the *Sunli* on the waters of the Amur. Finally the mutineers left the gunboat and set off in a launch for an unknown destination.

Heavy Fighting at Mingnien

Severe fighting occurred between the combined units of General Ma Chan-shan and Po Ping-san and the Japanese at Ningnien during several days last week, according to a Taheiho radio message. During the struggle Ningnien was temporarily captured by the Volunteers but was later reoccupied by the Japanese. General Ma directed a counter-drive on Ningnien while the artillery units of General Po Ping-san were despatched westwards from Taianchen to join the attack. The battle see-sawed, with both sides suffering heavy casualties. The Japanese were assisted by airplanes. Chang Wen-chu, Garrison Commander of Tsitsihar, who had intended to join General Ma Chan-shan, has been dismissed by the Japanese; his whereabouts are unknown.

The tribulations of General Ma Chan-shan, leader of Chinese troops in North Manchuria, were vividly described in a Chinese despatch received at Nanking. The message stated that General Ma's men now are subsisting on horse-flesh and are using the bones for fuel. It is admitted in the despatch that General Ma was defeated by the Matsuki detachment during recent encounters along the Tsitsihar-Koshan railway and sustained heavy losses in attempts to capture Laha. Despite his reverses, however, General Ma refuses all advice to withdraw and is determined to carry on the fight against the Japanese and Manchukuo troops,

Harbin Cut Off from Siberia by General Su Ping-wen

Harbin has been completely cut off from Europe for more than two months, no mail having arrived in that period across Siberia. This state of affairs is the result of the turning over from Manchukuo of General Su Ping-wen, who now controls the whole western section of Heilung-kiang.

General Su Ping-wen Declares He Never Agreed to Negotiate with Japanese

General Su Ping-wen, commander of the anti-Manchukuo forces now occupying the Heilungkiang region on the western line of the Chinese Eastern Railway between Hinghan and Manchuli, has declared categorically (according to *Tass*) that he never entered into any agreement for peaceful negotiations with the Japanese for the release of the Japanese subjects now detained by him at Manchuli. He states, on the contrary, that he made no reply to Japanese overtures and that he will similarly ignore such overtures in the future.

Previous telegrams from Japanese sources stated that General Su Ping-wen had agreed to such negotiations and as a result four Japanese officers headed by Colonel Komatsubara flew from Harbin to Daulia, situated in Soviet territory just west of Manchuli, for the purpose of entering into such negotiations. So far, however, their visit to Daulia has been without result. Although General Su, as previously reported, had released more than a hundred Japanese women and children, they being transported to Soviet territory, and if they are to be repatriated must go round by the Amur railway, he has resolutely refused to release about 160 Japanese men, the greater part of whom were Custom guards and some of whom he alleges were wearing the Manchukuo uniform. Consular officials are also among those held. They are being detained by General Su as hostages with the object of preventing the Japanese from engaging in bombing raids.

A recent Japanese telegram stated that in view of General Su's "arrogant attitude," the Japanese Kwantung Army Headquarters had decided not to wait any longer but to give him a "thorough chastisement" even sacrificing some of the Japanese now in his custody at Manchuli. With such tragic determination, the telegram continued, the Japanese Army authorities in Manchuria are now concentrating troops at Tsitsihar, in order to deal a death-blow General Su's troops.

CUSTOMS NOTIFICATION NO. 1255

In accordance with Government instructions the public is hereby notified that the export of rice to Manchurian Ports and to Dairen is provisionally prohibited.

H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 10th November, 1932.

CUSTOMS NOTIFICATION NO. 1256

With reference to Customs Notification No. 1,241 of 23rd September, 1932, concerning Duty Treatment of goods to and from Manchurian ports, the public is hereby notified that import duty will be collected on all such goods coming from Antung or Newchwang as are regarded as foreign and on all goods from Dairen, even if application is made for their transhipment or for entry into bond.

H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 10th November, 1932.

CUSTOMS NOTIFICATION No. 1257

With reference to Customs Notification No. 1242 of the 28th September, 1932, informing the public of the regulations governing the marking and numbering of all cargo arriving from abroad on and after the 1st January, 1933, the public is hereby notified that certain modifications have now been introduced to meet the difficulties of importers.

Shipments of such cargo as cotton, flour, beans etc. in large quantities may be divided into lots of 100 or 200 packages and each lot may be marked with a non-recurring letter combination, for example ACKW, and still retain re-export privileges under free pass.

As regards all other kinds of cargo the principle of demanding non-recurring shipment numbers or date of shipment or indent numbers, as already laid down, will be strictly maintained.

H. O. Tong,
Superintendent of Customs.
L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 16th, November, 1932.

Sole Survivor of Kawasaki Detachment Returns

Sergeant Iwakami, sole survivor of the Kawasaki Detachment of of 59 cavalrymen arrived at Tsitsihar, Nov. 10. The said detachment which had been missing since October 29, encountered heavy odds in the vicinity of Taianchen and was annihilated.

Fire Destroys Two Hangars at Mukden Airdrome

The Japanese military airdrome at Mukden was the scene of a fire of unknown orgin Nov. 11. Two hangars were completely reduced to ashes early in the morning. The total amount of loss is estimated to be approximately Yen 300,000.

Changchun Chinese School Girl in Plot to Kill Pu Yi

Miss Hsu Yu-lan, a Chinese school girl, was arrested at Changchun beginning of the month, following extensive researches made by the Japanese military and Manchukuo police. When arrested the young lady admitted that she was the head of an assassination plot entered into by the girl students. Documents which were seized confirmed the girl's statement. She declared that a bomb

had been placed at the back door of Pu Yi's house but it failed to explode.

Many Japanese Wounded in Filarchi Fighting

Making due allowance for exaggerations in the Chinese telegrams as to the number of Japanese casualties, little paragraphs like the following (supplied by the semi-official Japanese *Rengo* service), indicate that the Japanese forces are having a hard time of it:

> Tsitsihar, Nov. 12.—Fifty-six Japanese soldiers who were wounded in the severe fighting west of Filarchi on November 10 arrived here by train yesterday afternoon at 3.30 o'clock. The wounded are receiving treatment in the Tsitsihar Army Hospital.

Volunteers Oppose Japanese Building Kirin-Kainei Railway

Troops of the National Salvation Army under General Wang Te-lin are actively opposing the Japanese who are attempting to build the Kirin-Kainei Railway, which is to be an extension of the Kirin-Tunhua Railway to Kainei in Korea and is of commercial and military importance. General Wang declares that as long as he remains in Kirin province, he will never allow the Japanese to complete this line as it will facilitate the Japanese conquest of Manchuria.

Japanese Army Maneuvers Take Place Near Osaka

The autumn maneuvers of the Japanese Army began Nov. 11 on the vast plain surrounding Osaka and Nara, with some 50,000 troops and 70 airplanes, as well as every modern military appliance, participating. They continued for three days.

The Japanese Emperor was present. Crowds estimated at 2,000,000 lined the route along which he proceededed Prince Gen. Kan-in, Chief of the General Staff; Lieut. Gen. J. Mazaki, Vice-Chief of the General Staff; Count Makino, Keeper of the Privy Seal; Count Ichiki, Minister of the Imperial Household, and Gen. Nara, chief aide-de-camp to the Throne, escorted the Emperor.

Among these present was General I. Ugaki, Governor General of Chosen, a prominent member of the Minseito Party. When the maneuvers were ended he proceeded to Tokyo to transact important matters in connection with the budget.

Chinese Customs Superintendent Defends Shanghai Seizures

H. O. Tang, Superintendent of Chinese Customs, interviewed at Hongkong by the *Review's* correspondent, just before his sailing on the Dollar liner *President Harrison* on his return to Shanghai, November 11, stated with reference to the raids recently made in Shanghai on smugglers' premises that warrants were always obtained from the Shanghai District Court and with the permission and authority of the Municipal Council. Mr. Tang said the charges of the sumgglers regarding irregularities in the Customs were entirely unfounded. He added that the allegations of the Chinese merchants and guilds against Sir Ferderick Maze, the Inspector General, were equally ridiculous as he personally considered Sir Frederick one of the most reasonable and just men, also one of the ablest government workers he had ever been associated with. Mr. Tang said he considered the guilds' demand for his and Mazes' resignation as tantamount to proposing to close the Maritime Customs. In reality, said Mr. Tang, only a few smugglers had served as a screen behind the guilds' protests.

A Kobe Importer Who Smuggled Pistols Wholesale

The Tokyo police recently arrested a fifty-year old contractor named Naemura and through him ascertained that the head of the pistol smuggling business in Japan is a Kobe merchant named Hagashi Oda, already in prison in Osaka on another charge. Oda is stated to have smuggled 500,000 pistols since 1927 from Germany and Holland, besides importing 260,000 pistols legally. At present the method of disposal of the greater number is not known, though it has been discovered that over 200 were sold in Tokyo, 60 of them to the Communist group. A fairly large number of the pistols were found to have been bought by reactionaries.

AN ODE TO HENRY W. KINNEY

(The following poem based on the kidnapping and robbing of Henry W. Kinney, head of the propaganda department of the Japanese South Manchuria Railway, appeared originally in the Honolulu Advertiser. Mr. Kinney previously was a resident of Honolulu and once served as Superintendent of Education in the Hawaiian Islands, following which he came to the Orient to engage in newspaper work. He is now assisting the Japanese delegation at Geneva.)

Kidnapped, yes, taken by Chinese,
Disrobed, dismantled, if you please,
Left naked, nuder than the Marble Faun,
Or sunrise on the morning lawn!

By bandits held 'neath Changchun skies,
He yet escaped his wily spies,
And wrapped in a potato sack—
A sad potato he alack—
His dignity as Delegate
Spoiled by grim vagaries of Fate
That left him shamed at Harbin's gate!

Now only suited for some nudist party,
A statesman neither fit nor smart-eh?
Well paid by Japan to appear
In old Geneva, and to clear
Mikado's Empire of all blame,
Rise high its honor and its name—
The bandits stole his pants—for shame!
And without pants or leaf of shame!
How could he pose as wise big-wig,
Or sit in conferences with men
Who wield power with voice and pen,
Keep their shirts on and pants—Ahem!

A clothesless man they sure would ban,
Though he were ex-American;
Done up in a potato sack
They sure would send him quickly back!
Well, it seems fitting, after all,
That such a fate should him befall;
That Kinney of the U. S. A.
Should be left naked in that way.
Worse fate than Arnold's was, he fell
Into rough hands, which ruthless—well
The rest let those who saw him tell!

Honolulu, Oct. 17. —POET LARIAT.

H. H. Kung Would Buy American Wheat and Cotton

Dr. H.H. Kung, representative of the Ministry of Industries of the Nanking government conferred at Washington recently with Wilson McCarthy, director of the Reconstruction Finance Corporation regarding shipments of wheat and cotton to China. Dr. Kung proposed that the corporation finance cotton shipments for use in Chinese mills as well as the wheat. The two went over the whole situation with respect to loans and the ability of China to repay them with specified dates but definite proposals were not submitted by either party.

The corporation has already announced its willingness to make the wheat loan if it is endorsed by a responsible agency but its attitude on financing raw products for a foreign industry was not announced.

Chinese Wheat and Rice Farmers Oppose U. S. Wheat Loan

Chinese agricultural interests generally oppose the proposed U. S. wheat loan. There has in recent months been a decided slump in the price of rice and rice farmers particularly object to the competition of foreign wheat. Chinese wheat interests also oppose the deal in American wheat.

The draft contract entered into by the Ministry of Finance with American financial interests for a loan of American wheat was ratified by the Executive Yuan at Nanking Nov. 11. The amount of wheat loan, it is said, totals 450,000 tons, valued at G.$12,000,000. The contract will be signed at Shanghai at the end of this month.

Canada Wishes to Sell Wheat to China

A recent telegram from Regina stated that the governments of the Prairie provinces of Canada will appoint a joint representative to visit China and promote sales of Canadian wheat.

Shanghai Municipal Council Makes Various Grants

The Shanghai Municipal Council has increased the annual grant to the North China branch of the Royal Asiatic Society from Tls. 1,000 to Tls. 4,000 on the understanding that the Society is not to be exempted from taxation on its new premises.

An annual grant of $5,000 to the Salvation Army (the world-wide religious organization, and not be confused with the Chinese "Salvation Army" which is a political and military organization) has been made by the Shanghai Municipal Council for the purpose of taking over the work of the Prisoners' Aid Society.

The Shanghai Municipal Council has refused to increase the annual grant-in-aid of Tls. 2,000 made to the Chinese Red Cross General Hospital on the ground that the hospital is in a satisfactory financial condition and is not receiving any aid from the French Municipal Council although located in French Concession territory.

Marshal Chang Sees General Chiang and T. V. Soong

Marshal Chang Hsueh-liang flew down from Peiping during the week in his private plane and visited General Chiang Kai-shek at Hankow, later proceeding to Hangchow where he conferred with T. V. Soong, Minister of Finance, and various Chekiang officials. A demonstration was made against Chang at Hangchow by a group of students who taunted him his failure to dispatch troops to recover Manchuria. Marshal Chang was due back in Peiping Nov. 17.

Six-Million-Dollar Shanghai Municipal Loan

Regulations governing the Greater Shanghai (Chinese) Municipal Rehabilitation Loan of six million dollars were formally approved at the 210th meeting of the Legislative Yuan Nov. 12. According to the regulations, the proceeds of the loan are to be used for the repair of roads, bridges, and the institution of various rehabilitation work in the areas devastated by the Japanese invasion of Shanghai last spring. The bonds will bear interest at seven per cent; and will be issued at 80. Interest payments will be made semi-annually on April 30 and October 31.

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Latest New York Stock Exchange Quotations

Market—Irregular

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Nov. 11, 1932

1931-2 High	1931-2 Low	Div.$ per Sh.	STOCKS	Mon. Nov.14	Tues. Nov. 15
9⅛	1⅝	—	Adams Express	6¼	6¼
88¾	42½	•6.00	Allied Chemical & Dye	79¼	79⅝
15⅝	4	—	Allis Chalmers	9⅛	Unq.
73⅞	29⅝	•4.00	American Can	55⅛	56¼
15	2	—	American & Foreign Power	8¾	8¼
10	1¼	—	American & Foreign Power Warr.	5¾	5
27¼	5½	—	American Smelting	16½	16⅛
137⅝	70¼	9.00	American Telephone & Telegraph	110	111
89¾	44	•5.00	American Tobacco "B"	68¼	68⅞
34½	11	2.00	American Waterworks	21½	21⅝
19⅝	3	—	Anaconda Copper	10⅝	10¼
151¾	28¾	•4.00	Auburn Automobiles	45¾	46⅝
21⅝	3⅝	—	Baltimore & Ohio	12½	13¼
29⅝	7¼	—	Bethlehem Steel	18⅝	18⅝
43⅛	20	•2.00	Borden Company	26⅞	25⅝
14¼	3⅝	—	Borg Warner	8⅝	10¼
20⅝	7¼	—	Canadian Pacific Railway	13⅞	14⅛
65¾	16¾	—	Case, J. I.	43⅛	44⅛
47⅞	19	2.00	Chase Bank	37	37
20¾	4⅞	2.00	Chesapeake Corp.	15⅛	15⅞
21¾	5	1.00	Chrysler	16⅝	16⅝
6⅞	1¼	—	Cities Service Company	8⅝	8½
21	4¼	1.00	Columbia Gas & Electric	14	14
5¾	1⅝	.30	Commonwealth & Southern	3¼	3¼
1	1/16	—	" Warr.	9/16	5/8
68¾	31½	4.00	Consolidated Gas of N. Y.	59¼	59⅝
9⅜	3⅝	—	Continental Oil	6⅝	6⅝
55⅝	24⅜	•3.00	Corn Products	54	53⅝
7⅝	1½	—	Coty Inc.	4¼	4½
3¼	⅞	—	Curtiss Wright Company	2¼	2⅛
57	23	4.00	Drug Incorporated	37⅝	35⅝
59¾	22⅛	2.00	Du Pont de Nemours	37¾	38
87⅞	36¼	3.00	Eastman Kodak	53	53
45	5	6%S	Electric Bond & Share	23¾	23
16	2¾	—	Electric Power & Light	8⅝	8
5⅝	1	—	Fox Film "A"	3¼	3⅛
26⅛	8½	.40	General Electric	17¼	17¼
40½	19⅝	2.00	General Foods	27¼	27½
24⅝	7⅝	1.00	General Motors	14⅝	14⅝
28⅝	6½	1.00	General Railway Signal	14	Unq.
24¾	10⅝	1.00	Gillette Safety Razor	17⅞	18
20⅝	8¼	1.60	Gold Dust	16¾	16½
12⅜	2¼	—	Goodrich Rubber	6¼	5¾
29¾	5½	—	Goodyear Tire & Rubber	17¾	16⅝
18¾	3⅝	—	International Cement	10	Unq.
1⅝	½	—	International Com. Engine.	Unq.	⅜
34½	10⅝	1.20	International Harvester	28⅝	23⅝
12½	3½	—	International Nickel	8¾	8¾
15¾	2⅜	—	International Telephone & Telegraph	10⅝	10⅝
33⅝	10	—	Johns Manville	24½	24½
19¼	4⅞	—	Kennecott	12	12
9⅛	1/32	—	Kreuger & Toll	⅛	⅛
67¼	32⅛	•4.00	Liggett & Myers, "B"	60½	58½
37⅜	13¼	•3.00	Loew's: Inc.	29½	29¼
18⅝	9	1.20	Lorillard P. Co. (Com.)	13¾	13⅝
11⅜	1½	—	Ludlum Steel	7⅞	7⅛
16½	3½	—	Montgomery Ward	13¼	14
64½	23¾	2.00	National City Bank (bid price)	47	47
10¼	2½	—	Nevada Copper	6½	6½
36⅝	8¾	—	New York Central	24⅝	24⅝
43¼	13¾	10%	North American Company	31½	30½
37	16⅞	2.00	Pacific Gas & Electric	28¾	28
5¼	1½	—	Packard Motors	3¼	3
11½	1½	—	Paramount—Publix	3⅝	3⅝
23⅝	6½	—	Pennsylvania Railroad	15⅝	15¼
4⅜	1	—	Pennroad Corporation	2	1⅞
8⅝	2	—	Phillips Petroleum	6¼	6½
60	28	3.20	Public Service of N. Jersey	48¾	49¼
12½	2¼	—	Rudio Corporation	7⅝	8
7¾	1½	—	Radio-Keith Orpheum	4⅝	4⅝
40¼	26½	3.00	Reynolds Tobacco "B"	30¼	30
37⅜	9⅞	—	Sears Roebuck	20⅝	21
8¾	2½	—	Shell Union	6½	6½
13⅜	3	—	Simmons Company	8½	8⅛
12¼	5¼	.80	Socony-Vacuum Corp.	9⅝	9¾
32⅝	15¾	2.00	Southern California Edison	26⅝	25⅝
34¼	7⅝	2.00	Standard Gas & Electric	17½	17¾
37⅝	19⅞	•1.00	Standard Oil of N. Jersey	32⅝	32⅝
18¼	9¼	1.00	Texas Corporation	15½	15½
26¾	12	2.00	Texas Gulf Sulphur	23¾	23½
7⅛	2⅛	—	Trans America	5⅝	5¾
36⅝	15½	1.20	Union Carbide & Carbon	25	24¾
94½	27⅝	6.00	Union Pacific Railway	72½	73¾
34⅝	6½	—	United Aircraft & Trans.	26⅞	28¾
14	3½	.40	United Corporation	9	9¼
22	9¼	1.20	United Gas Improvement	19	19
10¼	1¼	—	U. S. Rubber	6	5⅞
52⅝	21¼	—	U. S. Steel	38	37⅝
23¾	5¼	—	Vanadium	14¾	14⅝
4½	½	—	Warner Bros. Pictures	2¼	2
43½	15⅞	—	Westinghouse E. & M.	30	29½
45⅝	22	2·40	Woolworth	38¼	38¾
•Plus extras			Call Money	1%	1%

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The National City Co. Gold Bond Quotations Received From Head Office

Nov. 10 1932,

SECURITY	RATE & DATE DUE	Price	Approx Yield%
The National City Bank of New York	Stock	43	—
Argentine Government	6 % May 1, 1960	50½	12.25
U. S. of Brazil	6½% Oct. 15, 1957	17¼	—
Republic of Finland	6½% Sep. 1, 1956	69	9.90
German Central Bank for Agriculture	6 % Oct. 15, 1960	48	—
Kingdom of Italy	7 % Dec. 1, 1951	98	7.19
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	16	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	56⅞	—
American I. G. Chemical Corporation	5½% May 1, 1949	76	8.17
Chine Westphalia Electric Power Corp.	6 % Apr. 1, 1955	49	—

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 %	1925	70¼	—
Chinese Govt. Re-org. (£) Loan Stamped	5 %	1913/60	73	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 %	1913/60	71	—
Chinese Government (Crisp Loan)	5 %	1612	44¼	—
Shanghai-Nanking Railway	5 %	1904/08	47	—
Shanghai-Hangchow-Ningpo Railway	5 %	1908/58	82	—
Hukuang Railway	5 %	1911/1951	26	—
Tientsin-Pukow Railway	5 %	1908/09	27	—

NOTE: The above quotations are received by cable, and whilst believed to be correct, are not guaranteed.

The National City Bank of New York, Rates of Exchange

Shanghai Nov. 16, 1932.

Demand selling rate on America:	U.S. $1.00=Sh. $4.7711
Demand buying rate on America:	U.S. $1.00=Sh. $4.6752
Dmand selling rate on London:	£1.0.0=Sh. $15.870
Demand buying rate on London:	£1.0.0=Sh. $15.558

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In. re. Estate of BERTHA CATHERINE BIXBY, Deceased

Cause No. 3482

Special Proceedings No. 802

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Bertha Catherine Bixby, deceased, to present the same with vouchers to the undersigned on or before May 12, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China.
November 9, 1932.

HELEN F. DEARBORN
47-A Great Western Road,
Shanghai.

In the United States Court for China

In re. Last Will & Testament of KATE L. OGBORN, Deceased

Cause No. 3489

Special Proceedings No. 805

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Kate L. Ogborn, deceased, to present the same with vouchers to the undersigned on or before May 20, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China,
November 15, 1932.

PAUL G. HAYES
Wuhu, China.

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